



EnCana Oil & Gas (USA) Inc.

EnCana Oil & Gas (USA) Inc. tel: 720-876-5339
370 – 17th Street
Suite 1700 fax: 720-876-6339
Denver, CO 80202

www.encana.com

February 3, 2009

Diana Mason
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

RE: Middle Mesa Fed 26-34-29-24
Section 26, T29S R24E
San Juan County, UT

Dear Ms. Mason:

EnCana Oil & Gas (USA) Inc. is requesting approval to directionally drill the subject well per the Utah Department of Natural Resources, Division of Oil, Gas and Mining Applicable Rules R649-3-11. Please find the following information as required for our proposed Middle Mesa Fed 26-34-29-24 well:

- EnCana Oil & Gas (USA) Inc., owns all oil & gas within 460' of the intended well bore.
- Surface and Bottom Hole are located on Federal Lease No. UTU-76053 and within the Middle Mesa Unit.
- NESW, Section 26, T29S R24E, San Juan County, Utah.
- Location plat with surface and bottom hole locations attached.
- Proposed Directional Report attached.

EnCana is drilling this well as a directional well do to geologic conditions above the bottom hole target.

If you have any questions or need additional information, I can be reached at (720) 876-5339.

Sincerely,

Jevin Croteau
Regulatory Analyst

Attachment

RECEIVED

FEB 11 2009

DIV. OF OIL, GAS & MINING

CONFIDENTIAL TIGHT HOLE

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: UTU-76053	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: Middle Mesa Unit	
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.				9. WELL NAME and NUMBER: Middle Mesa Fed 26-34-29-24	
3. ADDRESS OF OPERATOR: 370 17th St, Suite 1700 CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (720) 876-5339	10. FIELD AND POOL, OR WILDCAT: Wildcat Undesignated	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2011' FSL & 789' FEL AT PROPOSED PRODUCING ZONE: 1961' FSL & 782' FEL				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 26 29S 24E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 4.2 Miles South of La Sal, Utah				12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 675' BHL		16. NUMBER OF ACRES IN LEASE: 480.59		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1970' BHL		19. PROPOSED DEPTH: 5,914		20. BOND DESCRIPTION: RLB0001191	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6813.2' GR		22. APPROXIMATE DATE WORK WILL START: 6/1/2009		23. ESTIMATED DURATION: 30 Days	

24.

PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4	9 5/8	J-55	36#	2,500	Class G + 2% gel	750sx 2.09 cuft/sx	12.5#
8 3/4	5 1/2	I-80	17#	5,914	Class G 50/50 Poz	1000sx 1.43 cuft/sx	13#

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst

SIGNATURE [Signature] DATE 2/5/09

(This space for State use only)

API NUMBER ASSIGNED: 43037-31904

Approved by the
Utah Division of
Oil, Gas and Mining

RECEIVED
FEB 11 2009

APPROVAL:

Date: 02-18-09

By: [Signature]

R. 24 E.

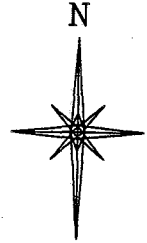
MIDDLE MESA
FED
26-34-29-24
UNGRADED ELEVATION:
6813.2'

Basis of Elevation: USGS spot
elevation located on the SW corner
Section 25, T29S, R24E,
Elevation: 6852'

BHL
LATITUDE (NAD 83)
NORTH 38.250182 DEG.
LONGITUDE (NAD 83)
WEST 109.239120 DEG.

LATITUDE (NAD 27)
NORTH 38.250194 DEG.
LONGITUDE (NAD 27)
WEST 109.238454 DEG.

NORTHING
584445.20
EASTING
2649417.44



SCALE: 1" = 1000'

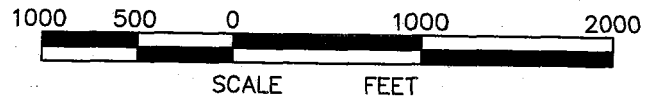
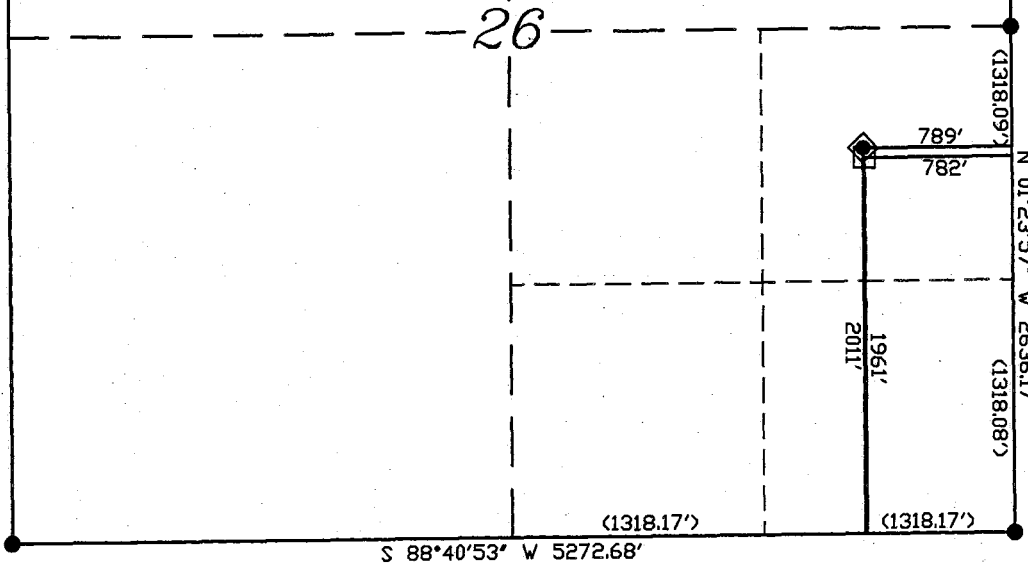
T. 29 S.

LATITUDE (NAD27)
NORTH 38.250330 DEG.
LONGITUDE (NAD27)
WEST 109.238478 DEG.

LATITUDE (NAD83)
NORTH 38.250318 DEG.
LONGITUDE (NAD83)
WEST 109.239143 DEG.

NORTHING
584494.56
EASTING
2649409.96

BASIS OF BEARING/DATUM
SPCS UT SOUTH (NAD 27)



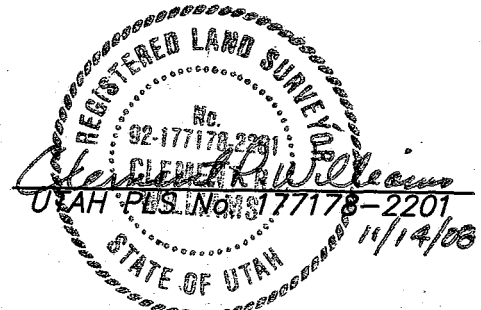
SURVEYOR'S STATEMENT

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on OCTOBER 22, 2008, and it correctly shows the location of MIDDLE MESA FEDERAL 26-34-29-24.

NOTES

- ◆ WELL LOCATION
- BOTTOM HOLE LOC. (APPROX.)
- FOUND MONUMENT (BC)

EXHIBIT 1



RIFFIN & ASSOCIATES, INC.

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

SCALE: 1" = 1000'

JOB No. 15801

REVISED: 11/10/08 - JMB

PLAT OF DRILLING LOCATION
FOR
ENCANA OIL & GAS (USA) INC.

2011' F/SL & 789' F/EL, SECTION 26,
T. 29 S., R. 24 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH



JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Water Rights

MICHAEL R. STYLER
Executive Director

JERRY D. OLDS
State Engineer/Division Director

ORDER OF THE STATE ENGINEER

For Temporary Change Application Number 05-6 (t34402)

Temporary Change Application Number 05-6 (t34402) in the name of Charles Hardison Redd was filed on May 5, 2008, to change the point of diversion, place of use and change the nature of use of 20.00 acre-feet (af) of water as evidenced by Water Right Number 05-6. Heretofore, the water has been diverted from a surface source located North 3,420 feet and West 2,851 feet from the SE Corner of Section 7, T28S, R25E, SLB&M. The water has been used for the irrigation of 5.00 acres from April 1 to October 31. The water was used in all or portion(s) of Section 35, T28S, R25E, SLB&M; Section 2 and 11, T29S, R24E, SLB&M.

Hereafter, it is proposed to divert 20.00 acre-feet of water from surface source located North 712 feet and East 627 feet from the SW Corner of Section 8, T28S, R25E, SLB&M. The water is to be used for drilling work for oil and gas wells and road construction and maintenance. The place of use of the water is being changed to all or portion(s) of Sections 2, 8, 11, 14 and 27, T29S, R24E, SLB&M; Section 8, T29S, R26E, SLB&M and Sections 4, 9, 10, 14 and 15, T30S, R25E, SLB&M.

Notice of this temporary change application was not published in a newspaper. It is the opinion of the State Engineer that it meets the criteria of Section 73-3-3 of the Utah Code for the approval of temporary change applications.

It is the opinion of the State Engineer that this change application can be approved without adversely affecting existing rights. The applicant is put on notice that diligence must be shown in pursuing the development of this application which can be demonstrated by the completion of the project as proposed in the change application.

It is, therefore, **ORDERED** and Temporary Change Application Number 05-6 (t34402) is hereby **APPROVED** subject to prior rights.

This temporary change application shall expire one year from the date hereof.

It is the applicant's responsibility to maintain a current address with this office and to update ownership of their water right. Please notify this office immediately of any change of address or for assistance in updating ownership.

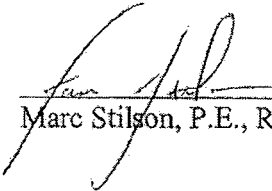
Inasmuch as this application proposes to divert water from a surface source, the applicant is required to contact the Stream Alteration Section of the Division of Water Rights at 801-538-7240 to obtain a Stream Alteration permit in addition to this Temporary Change Application.

ORDER OF THE STATE ENGINEER
Temporary Change Application Number
05-6 (134402)
Page 2

Your contact with this office, should you need it, is with the Southeastern Regional Office. The telephone number is 435-613-3750.

This Order is subject to the provisions of Administrative Rule R655-6-17 of the Division of Water Rights and to Sections 63-46b-13 and 73-3-14 of the Utah Code which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Order. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Order, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Dated this 9 day of June, 2008.



Marc Stilson, P.E., Regional Engineer

Mailed a copy of the foregoing Order this 9 day of June, 2008 to:

Charles Hardison Redd
P.O.Box 278
La Sal UT 84530

BY: _____
Kelly K. Horne, Applications/Records Secretary

Drilling Program

Page 1

ONSHORE OIL & GAS ORDER NO. 1**Approval of Operations on Onshore****Federal and Indian Oil and Gas Leases**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

Formation	Depth (TVD)	Subsea
Burro Canyon	Surface	6810
Entrada	938	5895
Navajo	1201	5632
Kayenta	1738	5095
Wingate	1954	4879
Chinle	2261	4572
Cutler	2569	4264
Honaker Trail	4058	2775
La Sal	5438	1395
La Sal Shale	5779	1054
Hatch	5864	969
TD	5914	919

2. ANTICIPATED DEPTH OF WATER, OIL & GAS

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations as expected to be encountered are as follows:

Substance	Formation	Depth (TVD)
Gas	Honaker Trail	4058
Gas	La Sal	5438
Gas	La Sal Shale	5779

Drilling Program

Page 2

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All indications of usable water (10,000 ppm or less TDS) shall be reported to the Durango Field Office prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

If noticeable water flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. BOP EQUIPMENT/REQUIREMENTS

EnCana Oil & Gas (USA), Inc.'s minimum specification for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double ram with annular, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed:
- b. whenever any seal subject to test pressure is broken
- c. following related repairs: and
- d. at 30 day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

Drilling Program

Page 3

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The BLM in Moab, Utah shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. CASING AND CEMENTING PROGRAMS

- a. The BLM in Moab, Utah shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.
- b. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- c. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- d. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).
- e. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- f. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- g. All casing except the conductor casing, shall be new or reconditioned and tested used

Drilling Program

Page 4

casing that meets or exceeds API standards for new casing.

- h. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- i. All indication of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- j. Surface casing shall have centralizers on the bottom 3 joints of casing (a minimum of one centralizer per joint starting with the shoe joint).
- k. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- l. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective actions shall be taken.
- m. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- n. The proposed casing program will be as follows:

Purpose	Depth (MD)	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0'-2500'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0'-5914'	8-3/4"	5-1/2"	17#	I-80	LT&C	New

- o. Casing design subject to revision based on geologic conditions encountered.
- p. The cement program will be as follows:

Surface	Type and Amount
0-2500'	Lead: 550 sx Class G 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 200 sx Class G, 1.15 cuft/sx yield, 15.8 ppg
Production	Type and Amount
3500'-5914'	1000 sx Class G 50/50 Poz, 1.43 cuft/sx yield, 13 ppg

Drilling Program

Page 5

- q. The BLM in Moab, Utah should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- r. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- s. The following reports shall be filed with the District Manager within 30 days after the work is completed.
 - 1. Progress reports, Form 3160-5, "Sundry Notices and Reports on Wells", must include complete information concerning:
 - i. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
 - ii. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- t. Auxiliary equipment to be used is as follows:
 - 1. Kelly cock
 - 2. No bit float is deemed necessary.
 - 3. A sub with a full opening valve.

5. MUD PROGRAM

- a. The proposed circulating mediums to be employed in drilling are as follows:

Interval (MD)	Mud Type	Mud Wt.	Visc.	F/L
0-3500'	Water	+/- 8.5	+/- 27	N.C.
3500'-TD	LSND	+/- 9.0	+/- 40-50	+/- 8

- b. Mud monitoring equipment to be used is as follows: Periodic checks of the mud system will be made each tour. The mud level will be checked visually.
 - 1. There will be sufficient mud on location to ensure well control.
 - 2. A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss and Ph.
- c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling testing or completion operations.

6. EVALUATION PROGRAM – TESTING, LOGGING AND CORING

Drilling Program

Page 6

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be reversed out of the testing string under controlled surface conditions. This would involve providing some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will be made up of two runs. The first will consist of a GR/AIT/NEUT-DEN w/ PE from TD to base of the surface casing. The second will consist of a Dipole Sonic from TD to base of the surface casing.
- c. No whole cores are anticipated. Depending upon evaluation of the open hole logs, several sidewall cores may be obtained in formations of interest.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program is as follows:

Perforate zones of interest, fracture stimulate as necessary and place on production.

7. ABNORMAL PRESSURES AND H2S GAS

- a. The maximum expected bottom hole pressure is 2400 psi (pressure gradient of 0.396 psi/ft). Source of pressure estimate was from data obtained for the La Sal geological formation in the Middle Mesa State 36-14-29-24 (well is located approx. 2 miles northwest of the proposed location).
- b. No hydrogen sulfide gas is anticipated; no abnormal pressures or temperatures are anticipated.
- c. As per Onshore Order No. 6, III.A.2b., if hydrogen sulfide is present the "operator shall

Drilling Program

Page 7

initially test the H₂S concentration of the gasstream for each well or production facility ...” Submit the results of this test within 30 days of filing Form 31604, “Well Completion or Recompletion Report and Log”.

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

- a. The BLM in Moab (435-259-2100) shall be notified at least 24 hours prior to:
 1. Spudding the well
 2. Running the casing strings and cementing
 3. BOP tests/casing pressured tests.
- b. Within 30 days of completion of the well as a dry hole or producer, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions operations will be filed with a Completion Report (Form 3160-4), in triplicate. Submit casing/cementing reports and other subsequent reports via Sundry Notice Form 3160-5.
- c. In accordance with 43 CFR 3162.4-3, this well shall be reported on MMS Form 3160, “Monthly Report of Operations”, starting with the month in which drilling operations commence, and continuing each month until the well is physically plugged and abandoned.
- d. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a runticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.
- e. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day authorized period.
- f. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d), shall be submitted to the appropriate District Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).
- g. Off-lease measurement and commingling of production must be approved by the authorized officer.
- h. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR

Drilling Program

Page 8

3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leasesite or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

- i. The BLM in Moab (435-259-2100) shall be notified within 5 business days of production start-up if either of the following two conditions occur:

1. The well is placed on production, or
2. The well resumes production after being off of production for more than 90 days.

"Placed on production" means shipment or sales of hydrocarbons from temporary tanks, production into permanent facilities or measurement through permanent facilities. Notification may be written or verbal with written follow-up within 15 days.

- j. Drilling is planned to commence upon approval. Completion will begin approximately 30 days after drilling is completed.
- k. It is anticipated that the drilling of this well will take approximately 10-15 days.
- l. No location will be constructed or moved, no well will be plugged, and no drilling or work over equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- m. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- n. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- o. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

If underground injection is proposed, an EPA or State UIC permit shall also be required and submitted to this office.

- p. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form

Drilling Program

Page 9

3160-5 will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

- q. As per 43 CFR 3162.6, each drilling producing or abandoned well shall be identified with the operator's name, the lease serial number, the well number, and the surveyed description of the well (either footages or the quarter-quarter section, the section, township and range). The Indian lessor's name may also be required. All markings shall be legible and in a conspicuous place.

- r. Bureau of Land Management, Moab Field Office Address and Contacts:

Address: 82 East Dogwood Ave. Phone: 435-259-2100

Moab, Utah 84532

Business Hours: 7:45 a.m. to 4:30 p.m. (Mountain Time), Mon-Fri.

After Hours:

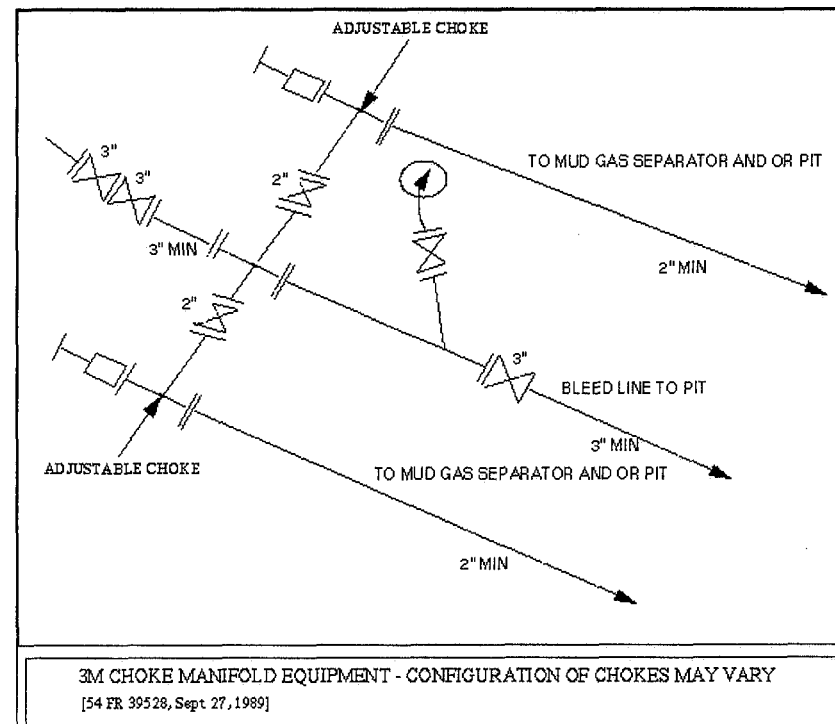
Jack Johnson	Engineering Technician	435-259-2129
Eric Jones	Petroleum Engineer	435-259-2117

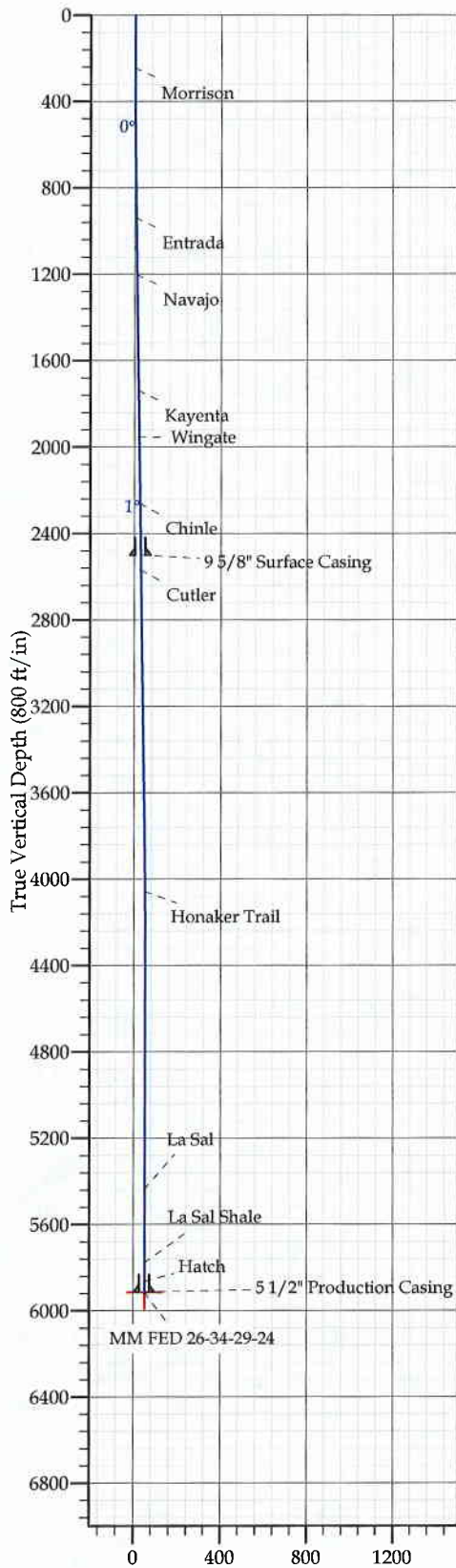
3M ANNULAR

3M DOUBLE RAM BOP

2" KILL LINE

3" CHOKE LINE FROM
OUTLET ON BOTTOM
SIDE OF RAMS





Vertical Section at 171.38° (800 ft/in)

REFERENCE INFORMATION

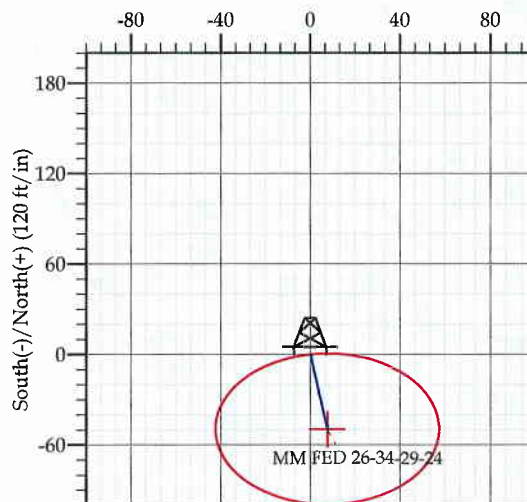
Co-ordinate (N/E) Reference: Well Well #1, Grid North
 Vertical (TVD) Reference: RKB @ 6833.2ft (TBD)
 Section (VS) Reference: Site Centre (0.0N, 0.0E)
 Measured Depth Reference: RKB @ 6833.2ft (TBD)
 Calculation Method:

WELL DETAILS: Well #1

+N/-S	+E/-W	Northing	Ground Level: 6813.2	Easting	Latitude	Longitude	Slot
0.0	0.0	584494.56		2649409.9611° 59' 37.100 N	08° 55' 44.167 W		

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	500.0	0.00	0.00	500.0	0.0	0.0	0.00	0.00	0.0	
3	541.2	0.82	171.38	541.2	-0.3	0.0	2.00	171.38	0.3	
4	3973.2	0.82	171.38	3972.8	-49.1	7.4	0.00	0.00	49.6	
5	4014.4	0.00	0.00	4014.0	-49.4	7.5	2.00	180.00	49.9	
6	5914.4	0.00	0.00	5914.0	-49.4	7.5	0.00	0.00	49.9	MM FED 26-34-29-24



FORMATION TOP DETAILS

TVDPath	MDPath	Formation
0.0	0.0	Burro Canyon
244.0	244.0	Morrison
938.0	938.0	Entrada
1201.0	1201.1	Navajo
1738.0	1738.1	Kayenta
1954.0	1954.1	Wingate
2261.0	2261.2	Chinle
2569.0	2569.2	Cutler
4058.0	4058.4	Honaker Trail
5438.0	5438.4	La Sal
5779.0	5779.4	La Sal Shale
5864.0	5864.4	Hatch

CASING DETAILS

TVD	MD	Name	Size
2500.0	2500.2	9 5/8" Surface Casing	9.625
5914.0	5914.4	5 1/2" Production Casing	5.500

EnCana Corporation

Planning Report

Database: EDM
Company: DJ/Paradox/WTX
Project: La Sal
Site: Middle Mesa Fed 26-34-29-24
Well: Well #1
Wellbore: Wellbore #1
Design: Design #1

Local Co-ordinate Reference: Well Well #1
TVD Reference: RKB @ 6833.2ft (TBD)
MD Reference: RKB @ 6833.2ft (TBD)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Project	La Sal		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Southern Zone		

Site		Middle Mesa Fed 26-34-29-24				
Site Position:		Northing:	584,494.56 ft	Latitude:	11° 59' 37.100 N	
From:	Map	Easting:	2,649,409.96 ft	Longitude:	108° 55' 44.167 W	
Position Uncertainty:		ft	Slot Radius:	in	Grid Convergence:	1.58 °

Well	Well #1					
Well Position	+N/-S	0.0 ft	Northing:	584,494.56 ft	Latitude:	11° 59' 37.100 N
	+E/-W	0.0 ft	Easting:	2,649,409.96 ft	Longitude:	108° 55' 44.167 W
Position Uncertainty		ft	Wellhead Elevation:	ft	Ground Level:	6,813.2 ft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	01/07/2009	8.24	34.24	36,052

Design	Design #1				
Audit Notes:					
Version:	Phase:	PROTOTYPE		Tie On Depth:	0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction	
	(ft)	(ft)	(ft)	(°)	
	0.0	0.0	0.0	171.38	

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.00	0.00	0.00	0.00	
541.2	0.82	171.38	541.2	-0.3	0.0	2.00	2.00	0.00	171.38	
3,973.2	0.82	171.38	3,972.8	-49.1	7.4	0.00	0.00	0.00	0.00	
4,014.4	0.00	0.00	4,014.0	-49.4	7.5	2.00	-2.00	0.00	180.00	
5,914.4	0.00	0.00	5,914.0	-49.4	7.5	0.00	0.00	0.00	0.00	MM FED 26-34-29-24

EnCana Corporation

Planning Report

Database: EDM
Company: DJ/Paradox/WTX
Project: La Sal
Site: Middle Mesa Fed 26-34-29-24
Well: Well #1
Wellbore: Wellbore #1
Design: Design #1

Local Co-ordinate Reference: Well Well #1
TVD Reference: RKB @ 6833.2ft (TBD)
MD Reference: RKB @ 6833.2ft (TBD)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
Burro Canyon									
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
244.0	0.00	0.00	244.0	0.0	0.0	0.0	0.00	0.00	0.00
Morrison									
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
541.2	0.82	171.38	541.2	-0.3	0.0	0.3	2.00	2.00	0.00
600.0	0.82	171.38	600.0	-1.1	0.2	1.1	0.00	0.00	0.00
700.0	0.82	171.38	700.0	-2.5	0.4	2.6	0.00	0.00	0.00
800.0	0.82	171.38	800.0	-4.0	0.6	4.0	0.00	0.00	0.00
900.0	0.82	171.38	900.0	-5.4	0.8	5.5	0.00	0.00	0.00
938.0	0.82	171.38	938.0	-5.9	0.9	6.0	0.00	0.00	0.00
Entrada									
1,000.0	0.82	171.38	1,000.0	-6.8	1.0	6.9	0.00	0.00	0.00
1,100.0	0.82	171.38	1,099.9	-8.2	1.2	8.3	0.00	0.00	0.00
1,200.0	0.82	171.38	1,199.9	-9.7	1.5	9.8	0.00	0.00	0.00
1,201.1	0.82	171.38	1,201.0	-9.7	1.5	9.8	0.00	0.00	0.00
Navajo									
1,300.0	0.82	171.38	1,299.9	-11.1	1.7	11.2	0.00	0.00	0.00
1,400.0	0.82	171.38	1,399.9	-12.5	1.9	12.6	0.00	0.00	0.00
1,500.0	0.82	171.38	1,499.9	-13.9	2.1	14.1	0.00	0.00	0.00
1,600.0	0.82	171.38	1,599.9	-15.3	2.3	15.5	0.00	0.00	0.00
1,700.0	0.82	171.38	1,699.9	-16.8	2.5	17.0	0.00	0.00	0.00
1,738.1	0.82	171.38	1,738.0	-17.3	2.6	17.5	0.00	0.00	0.00
Kayenta									
1,800.0	0.82	171.38	1,799.9	-18.2	2.8	18.4	0.00	0.00	0.00
1,900.0	0.82	171.38	1,899.9	-19.6	3.0	19.8	0.00	0.00	0.00
1,954.1	0.82	171.38	1,954.0	-20.4	3.1	20.6	0.00	0.00	0.00
Wingate									
2,000.0	0.82	171.38	1,999.8	-21.0	3.2	21.3	0.00	0.00	0.00
2,100.0	0.82	171.38	2,099.8	-22.4	3.4	22.7	0.00	0.00	0.00
2,200.0	0.82	171.38	2,199.8	-23.9	3.6	24.1	0.00	0.00	0.00
2,261.2	0.82	171.38	2,261.0	-24.7	3.7	25.0	0.00	0.00	0.00
Chinle									
2,300.0	0.82	171.38	2,299.8	-25.3	3.8	25.6	0.00	0.00	0.00
2,400.0	0.82	171.38	2,399.8	-26.7	4.0	27.0	0.00	0.00	0.00
2,500.0	0.82	171.38	2,499.8	-28.1	4.3	28.5	0.00	0.00	0.00
2,500.2	0.82	171.38	2,500.0	-28.1	4.3	28.5	0.00	0.00	0.00
9 5/8" Surface Casing									
2,569.2	0.82	171.38	2,569.0	-29.1	4.4	29.4	0.00	0.00	0.00
Cutler									
2,600.0	0.82	171.38	2,599.8	-29.6	4.5	29.9	0.00	0.00	0.00
2,700.0	0.82	171.38	2,699.8	-31.0	4.7	31.3	0.00	0.00	0.00
2,800.0	0.82	171.38	2,799.8	-32.4	4.9	32.8	0.00	0.00	0.00
2,900.0	0.82	171.38	2,899.8	-33.8	5.1	34.2	0.00	0.00	0.00
3,000.0	0.82	171.38	2,999.7	-35.2	5.3	35.6	0.00	0.00	0.00
3,100.0	0.82	171.38	3,099.7	-36.7	5.6	37.1	0.00	0.00	0.00
3,200.0	0.82	171.38	3,199.7	-38.1	5.8	38.5	0.00	0.00	0.00
3,300.0	0.82	171.38	3,299.7	-39.5	6.0	40.0	0.00	0.00	0.00
3,400.0	0.82	171.38	3,399.7	-40.9	6.2	41.4	0.00	0.00	0.00

EnCana Corporation

Planning Report

Database: EDM
Company: DJ/Paradox/WTX
Project: La Sal
Site: Middle Mesa Fed 26-34-29-24
Well: Well #1
Wellbore: Wellbore #1
Design: Design #1

Local Co-ordinate Reference: Well Well #1
TVD Reference: RKB @ 6833.2ft (TBD)
MD Reference: RKB @ 6833.2ft (TBD)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
3,500.0	0.82	171.38	3,499.7	-42.3	6.4	42.8	0.00	0.00	0.00
3,600.0	0.82	171.38	3,599.7	-43.8	6.6	44.3	0.00	0.00	0.00
3,700.0	0.82	171.38	3,699.7	-45.2	6.8	45.7	0.00	0.00	0.00
3,800.0	0.82	171.38	3,799.7	-46.6	7.1	47.1	0.00	0.00	0.00
3,900.0	0.82	171.38	3,899.7	-48.0	7.3	48.6	0.00	0.00	0.00
3,973.2	0.82	171.38	3,972.8	-49.1	7.4	49.6	0.00	0.00	0.00
4,000.0	0.29	171.38	3,999.6	-49.3	7.5	49.9	2.00	-2.00	0.00
4,014.4	0.00	0.00	4,014.0	-49.4	7.5	49.9	2.00	-2.00	0.00
4,058.4	0.00	0.00	4,058.0	-49.4	7.5	49.9	0.00	0.00	0.00
Honaker Trail									
4,100.0	0.00	0.00	4,099.6	-49.4	7.5	49.9	0.00	0.00	0.00
4,200.0	0.00	0.00	4,199.6	-49.4	7.5	49.9	0.00	0.00	0.00
4,300.0	0.00	0.00	4,299.6	-49.4	7.5	49.9	0.00	0.00	0.00
4,400.0	0.00	0.00	4,399.6	-49.4	7.5	49.9	0.00	0.00	0.00
4,500.0	0.00	0.00	4,499.6	-49.4	7.5	49.9	0.00	0.00	0.00
4,600.0	0.00	0.00	4,599.6	-49.4	7.5	49.9	0.00	0.00	0.00
4,700.0	0.00	0.00	4,699.6	-49.4	7.5	49.9	0.00	0.00	0.00
4,800.0	0.00	0.00	4,799.6	-49.4	7.5	49.9	0.00	0.00	0.00
4,900.0	0.00	0.00	4,899.6	-49.4	7.5	49.9	0.00	0.00	0.00
5,000.0	0.00	0.00	4,999.6	-49.4	7.5	49.9	0.00	0.00	0.00
5,100.0	0.00	0.00	5,099.6	-49.4	7.5	49.9	0.00	0.00	0.00
5,200.0	0.00	0.00	5,199.6	-49.4	7.5	49.9	0.00	0.00	0.00
5,300.0	0.00	0.00	5,299.6	-49.4	7.5	49.9	0.00	0.00	0.00
5,400.0	0.00	0.00	5,399.6	-49.4	7.5	49.9	0.00	0.00	0.00
5,438.4	0.00	0.00	5,438.0	-49.4	7.5	49.9	0.00	0.00	0.00
La Sal									
5,500.0	0.00	0.00	5,499.6	-49.4	7.5	49.9	0.00	0.00	0.00
5,600.0	0.00	0.00	5,599.6	-49.4	7.5	49.9	0.00	0.00	0.00
5,700.0	0.00	0.00	5,699.6	-49.4	7.5	49.9	0.00	0.00	0.00
5,779.4	0.00	0.00	5,779.0	-49.4	7.5	49.9	0.00	0.00	0.00
La Sal Shale									
5,800.0	0.00	0.00	5,799.6	-49.4	7.5	49.9	0.00	0.00	0.00
5,864.4	0.00	0.00	5,864.0	-49.4	7.5	49.9	0.00	0.00	0.00
Hatch									
5,900.0	0.00	0.00	5,899.6	-49.4	7.5	49.9	0.00	0.00	0.00
5,914.4	0.00	0.00	5,914.0	-49.4	7.5	49.9	0.00	0.00	0.00
5 1/2" Production Casing									

Design Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
MM FED 26-34-29-24	0.00	0.00	5,914.0	-49.4	7.5	584,445.20	2,649,417.44	11° 59' 36.653 N	108° 55' 44.111 W
- hit/miss target									
- Shape									
- plan hits target									
- Circle (radius 50.0)									

EnCana Corporation
Planning Report

Database: EDM
Company: DJ/Paradox/WTX
Project: La Sal
Site: Middle Mesa Fed 26-34-29-24
Well: Well #1
Wellbore: Wellbore #1
Design: Design #1

Local Co-ordinate Reference: Well Well #1
TVD Reference: RKB @ 6833.2ft (TBD)
MD Reference: RKB @ 6833.2ft (TBD)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
2,500.2	2,500.0	9 5/8" Surface Casing	9.625	12.250
5,914.4	5,914.0	5 1/2" Production Casing	5.500	8.750

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
0.0	0.0	Burro Canyon		0.00	
244.0	244.0	Morrison		0.00	
938.0	938.0	Entrada		0.00	
1,201.1	1,201.0	Navajo		0.00	
1,738.1	1,738.0	Kayenta		0.00	
1,954.1	1,954.0	Wingate		0.00	
2,261.2	2,261.0	Chinle		0.00	
2,569.2	2,569.0	Cutler		0.00	
4,058.4	4,058.0	Honaker Trail		0.00	
5,438.4	5,438.0	La Sal		0.00	
5,779.4	5,779.0	La Sal Shale		0.00	
5,864.4	5,864.0	Hatch		0.00	

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/11/2009

API NO. ASSIGNED: 43-037-31904

WELL NAME: MIDDLE MESA FED 26-34-29-24

OPERATOR: ENCANA OIL & GAS (USA) (N2175)

CONTACT: JEVIN CROTEAU

PHONE NUMBER: 720-876-5339

PROPOSED LOCATION:

NESW 26 290S 240E

SURFACE: 2011 FSL 0789 FEL

BOTTOM: 1961 FSL 0782 FEL

COUNTY: SAN JUAN

LATITUDE: 38.25031 LONGITUDE: -109.2384

UTM SURF EASTINGS: 654147 NORTHINGS: 4234849

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
-------------	----------	------

Engineering		
-------------	--	--

Geology		
---------	--	--

Surface		
---------	--	--

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-76053

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: HATCH

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. RLB0001191)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
(No. 05-6)

☒ RDCC Review (Y/N)
(Date:)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.

Unit: MIDDLE MESA

☐ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

☐ R649-3-3. Exception

☐ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____

☒ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

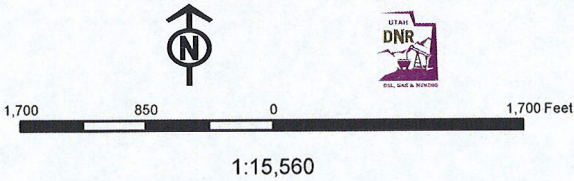
1- Federal Approval
2- Spacing Strip



API Number: 4303731904
Well Name: MIDDLE MESA FED 26-34-29-24
Township 29.0 S Range 24.0 E Section 26
Meridian: SLBM
Operator: ENCANA OIL & GAS (USA) INC

Map Prepared:
Map Produced by Diana Mason

Units	Wells Query Events
STATUS	✕ <all other values>
ACTIVE	GIS_STAT_TYPE
EXPLORATORY	<Null>
GAS STORAGE	APD
NF PP OIL	DRL
NF SECONDARY	GI
PI OIL	GS
PP GAS	LA
PP GEOTHERML	NEW
PP OIL	OPS
SECONDARY	PA
TERMINATED	PGW
Fields	POW
STATUS	RET
ACTIVE	SGW
COMBINED	SOW
Sections	TA
	TW
	WD
	WI
	WS



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160
(UT-922)

February 17, 2009

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2009 Plan of Development Middle Mesa Unit, San Juan
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2009 within the Middle Mesa Unit, San Juan County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ Hatch)		
43-037-31901	Middle Mesa Fed 25-43-29-24 Sec 25 T29S R24E 0759 FSL 2531 FEL	
43-037-31902	Middle Mesa Fed 25-41-29-24 Sec 25 T29S R24E 0360 FSL 0960 FWL	
43-037-31903	Middle Mesa Fed 25-31-29-24 Sec 25 T29S R24E 2361 FSL 0900 FWL	
	BHL Sec 25 T29S R24E 2422 FSL 1133 FWL	
43-037-31904	Middle Mesa Fed 26-34-29-24 Sec 26 T29S R24E 2011 FSL 0789 FEL	
	BHL Sec 26 T29S R24E 1961 FSL 0782 FEL	
43-037-31905	Middle Mesa Fed 26-23-29-24 Sec 26 T29S R24E 2157 FNL 2036 FEL	
	BHL Sec 26 T29S R24E 1970 FNL 2057 FEL	
43-037-31906	Middle Mesa Fed 31-44-29-25 Sec 31 T29S R25E 0587 FSL 1207 FEL	
	BHL Sec 31 T29S R25E 0620 FSL 0612 FEL	
43-037-31907	Middle Mesa Fed 31-33-29-25 Sec 31 T29S R25E 1873 FSL 1795 FEL	
43-037-31908	Middle Mesa Fed 05-08-30-25 Sec 05 T30S R25E 0722 FNL 1034 FEL	

This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File – Middle Mesa Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 18, 2009

Encana Oil & Gas (USA) Inc.
370 17th St., Ste. 1700
Denver, CO 80202

Re: Middle Mesa Federal 26-34-29-24 Well, Surface Location 2011' FSL, 789' FEL, NE SW,
Sec. 26, T. 29 South, R. 24 East, Bottom Location 1961' FSL, 782' FEL, NE SW,
Sec. 26, T. 29 South, R. 24 East, San Juan County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-31904.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: San Juan County Assessor
Bureau of Land Management, Moab Office



Operator: Encana Oil & Gas (USA) Inc.

Well Name & Number Middle Mesa Federal 26-34-29-24

API Number: 43-037-31904

Lease: UTU-76053

Surface Location: NE SW **Sec.** 26 **T.** 29 South **R.** 24 East

Bottom Location: NE SW **Sec.** 26 **T.** 29 South **R.** 24 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

CONFIDENTIAL TIGHT HOLE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

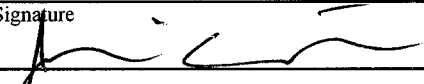
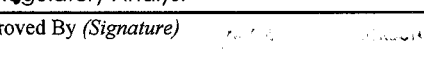
FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-76053
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EnCana Oil & Gas (USA) Inc.		7. If Unit or CA Agreement, Name and No. Middle Mesa, UTU-82680X
3a. Address 370 17th St., Suite 1700, Denver CO 80202		8. Lease Name and Well No. Middle Mesa Fed 26-34-29-24
3b. Phone No. (include area code) 720-876-5339		9. API Well No. 4303731904
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 2011' FSL & 789' FEL At proposed prod. zone 1961' FSL & 782' FEL		10. Field and Pool, or Exploratory Wildcat
14. Distance in miles and direction from nearest town or post office* Approximately 4.2 Miles South of La Sal, UT		11. Sec., T., R., M., or Blk. And Survey or Area Sec. 26, T29S-R24E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) 675' BHL 4562' BHL	16. No. of Acres in lease 480.59	17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, 1970' BHL applied for, on this lease, ft.	19. Proposed Depth 5914' TVD	20. BLM/ BIA Bond No. on file UT1005
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6813.2' GR	22. Approximate date work will start* 01-Jun-09	23. Estimated Duration 30 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- | | |
|--|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/ or plans as may be required by the BLM. |

25. Signature 	Name (Printed/ Typed) Jevin Croteau	Date 2/5/09
Title Regulatory Analyst		
Approved By (Signature) 	Name (Printed/ Typed) Assistant Field Manager	Date 1/6/2010
Title Assistant Field Manager, Division of Resources		
Office Moab Field Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

RECEIVED
JAN 11 2010
DIV. OF OIL, GAS & MINING

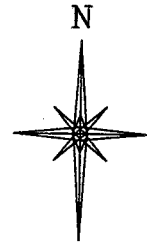
R. 24 E.

**MIDDLE MESA
FED
26-34-29-24
UNGRADED ELEVATION:
6813.2'**

Basis of Elevation: USGS spot
elevation located on the SW corner
Section 25, T29S, R24E,
Elevation: 6852'

BHL
LATITUDE (NAD 83)
NORTH 38.250182 DEG.
LONGITUDE (NAD 83)
WEST 109.239120 DEG.
LATITUDE (NAD 27)
NORTH 38.250194 DEG.
LONGITUDE (NAD 27)
WEST 109.238454 DEG.

NORTHING
584445.20
EASTING
2649417.44



SCALE: 1" = 1000'

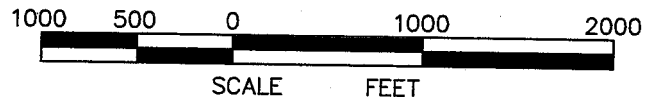
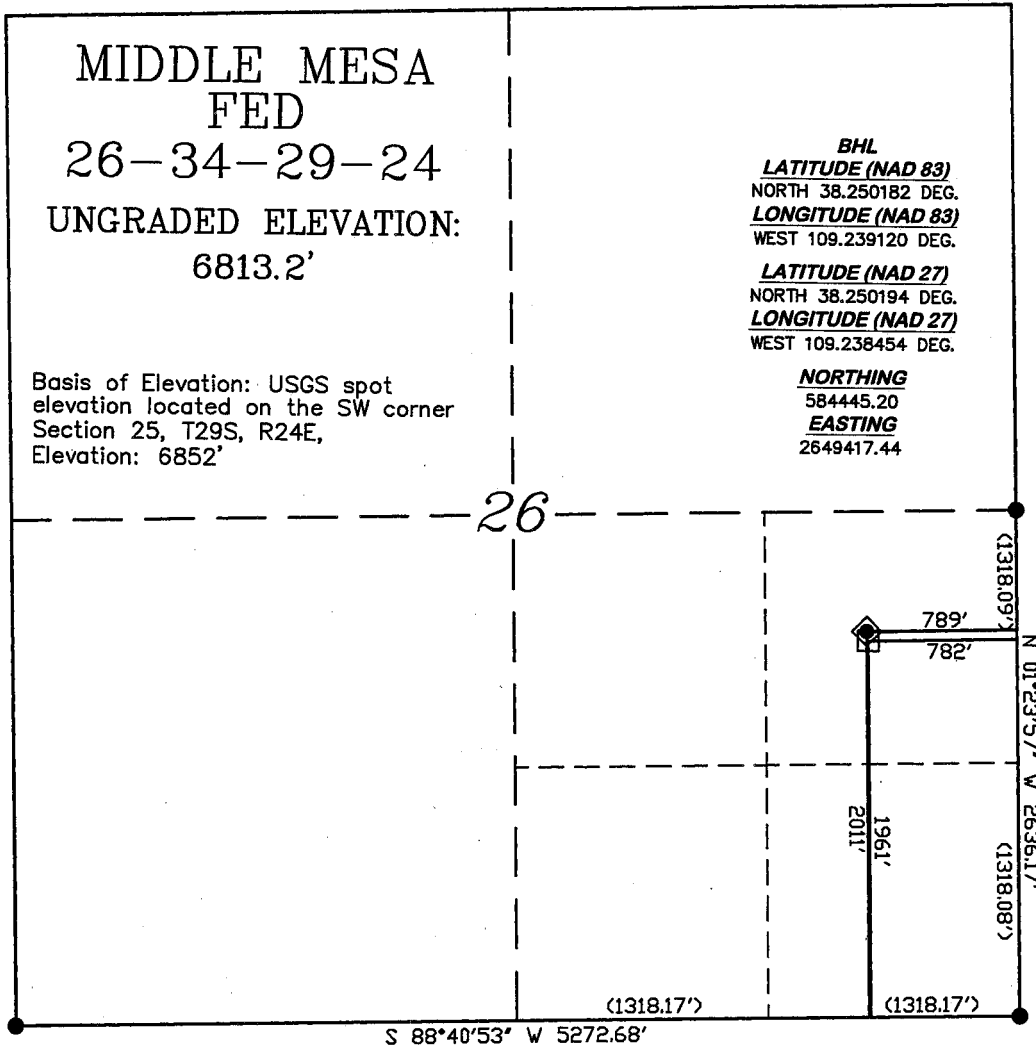
T. 29 S.

LATITUDE (NAD27)
NORTH 38.250330 DEG.
LONGITUDE (NAD27)
WEST 109.238478 DEG.

LATITUDE (NAD83)
NORTH 38.250318 DEG.
LONGITUDE (NAD83)
WEST 109.239143 DEG.

NORTHING
584494.56
EASTING
2649409.96

BASIS OF BEARING/DATUM
SPCS UT SOUTH (NAD 27)



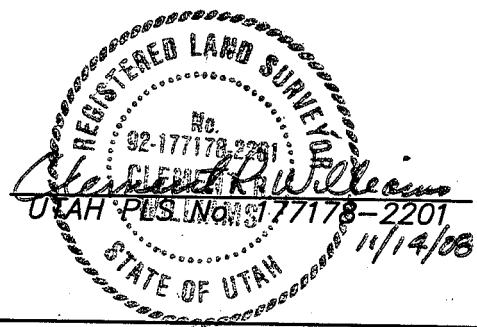
SURVEYOR'S STATEMENT

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on OCTOBER 22, 2008, and it correctly shows the location of MIDDLE MESA FEDERAL 26-34-29-24.

NOTES

- ◆ WELL LOCATION
- BOTTOM HOLE LOC. (APPROX.)
- FOUND MONUMENT (BC)

EXHIBIT 1



RIFFIN & ASSOCIATES, INC.

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

SCALE: 1" = 1000'

JOB No. 15801

REVISED: 11/10/08 - JMB

**PLAT OF DRILLING LOCATION
FOR
ENCANA OIL & GAS (USA) INC.**

**2011' F/SL & 789' F/EL, SECTION 26,
T. 29 S., R. 24 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH**

EnCana Oil & Gas (USA), Inc.
Middle Mesa Federal 26-34-29-24
Lease UTU-76053
Middle Mesa Unit (UTU-82680-X)
NE/SE Section 26, T29S, R24E
San Juan County, Utah

A COMPLETE COPY OF THIS APPROVED PERMIT and Conditions of Approval shall be maintained on location during all construction and drilling operations, and shall be available to contractors to ensure compliance.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that EnCana Oil & Gas (USA), Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by **UT1005** (Principal – EnCana Oil & Gas (USA), Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of two years from the date of approval. An extension of this permit will be considered only if a written request is received prior to APD expiration. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

A. DRILLING PROGRAM

1. The proposed 3M BOP system is adequate for anticipated conditions. Testing to 2M standards is acceptable. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
3. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to our understanding of drilling conditions.
4. Submit a Well Completion Report (Form 3160-4) within 30 days of completing the well. Please invest the necessary energy to thoroughly and accurately describe the well completion.

B. Surface

Site Specific COAs

Middle Mesa Federal 25-43-29-24

1. Due to a raptor nest, no permanent facilities shall be constructed/installed on this location. Facilities shall be located on an adjacent or nearby location.

Middle Mesa Federal 31-11-29-25

1. The operator shall maintain a 50' undisturbed vegetated buffer from the drainage to the SE corner of the pad.

Middle Mesa Federal 31-22-29-25

1. All earth moving activities associated with construction of the access corridor servicing the well in T29S R25E Section 31 will be monitored by an archeologist who meets or exceed the qualification standards recommended by the Secretary of the Interior. The Bureau has identified this area as containing the potential for buried cultural deposits.

The archeologist shall notify the BLM, Moab Field Office of date they intend to monitor the aforementioned areas, no less than three days in advance. The BLM will require the submission of two copies of a monitoring report within 30 days of the completion of work.

In the event previously unidentified archaeological materials are identified within the project area the standard stipulations apply for documentation of archaeological deposits.

2. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
 - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
 - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 31-33-29-25

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
 - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was

previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.

- If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 31-42-29-25

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.

- A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
- If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 31-44-29-25

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.

- A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
- If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 5-8-30-25

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
 - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
 - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 5-10-30-25

1. Due to a raptor nest, no permanent facilities shall be constructed/installed on this location. Facilities shall be located on an adjacent or nearby location.
2. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
 - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
 - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Middle Mesa Federal 4-20-30-25

1. All earth moving activities that are associated with the initial construction of the well pad will be monitored by an archeologist who meets or exceeds the qualification standards recommended by the Secretary of the Interior. The Bureau has identified this area as containing the potential for buried cultural deposits. Additionally, a temporary fence will be erected on the southeast portion of this well pad during construction to eliminate damage to a sensitive area.

The archeologist shall notify the BLM, Moab Field Office of date they intend to monitor the aforementioned areas, no less than three days in advance. The BLM will require the submission of two copies of a monitoring report within 30 days of the completion of work.

In the event previously unidentified archaeological materials are identified within the project area the standard stipulations apply for documentation of archaeological deposits.

2. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
 - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
 - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

Bull Horn Federal 9-13-30-25

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
 - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
 - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

General COAs

Other required approvals

1. This approval does not authorize non-federal actions. State and county permits may be required prior to any construction activity.

Cultural

1. Should any cultural resources be unearthed, surface-disturbing activities would be re-routed to avoid or halted until the cultural sites/artifacts can be evaluated for significance, and a mitigation/salvage plan be formulated. These actions would successfully mitigate possible impacts to cultural resources such that detailed analysis is not required.

Paleontological Resources

1. Paleontological resources are not likely to be encountered, except for those site listed previously, but could be discovered during construction. Because of this the operator shall; (1) with contractors, go over procedures for stopping work and notifying BLM if paleontological resources were found while working on the project, (2) notify the contractor of his responsibilities for informing employees/sub-contractors of the potential for prosecution if paleontological resources were disturbed.

Wildlife

1. In order to protect nesting raptors, no road or well pad construction, drilling or well completion operations, or construction of production facilities will be authorized between March 1 and August 31. No permanent facilities or construction activities would be allowed that could cause permanent abandonment of established nest sites if facility or construction removed a nest or permanently interfered with nesting activity. Most raptors typically require a ½ mile buffer except burrowing owls which require a ¼ mile buffer to protect nest site and nest activity. Raptor surveys would be required during breeding and nesting season by a qualified biologist. Breeding season surveys must be updated each year prior to surface disturbing activities. The restriction would reduce potential impacts to other bird species when the young would be raised. The limitation does not apply to maintenance and operation of producing wells. Exceptions will be granted to this limitation and will be specified in writing by the Moab Field Office.
2. In order to protect mule deer on crucial winter range no road or well pad construction, drilling or well completion operations, or construction of production facilities will be authorized between November 15 and April 15 to reduce the potential impacts to mule deer. The restriction would not apply to the maintenance and operation of producing wells. The dates and provisions for producing wells would be consistent with the oil and gas stipulation for deer winter range in the MFO RMP.

Well Pad/Road Construction/Maintenance

1. All soil and gravel brought in from off site for road or pad construction need to come from a pit free of invasive, non-native species.
2. Impacts from new well pad and road construction would be minimized by appropriate drainage control (ie. water bars, low water crossings in ephemeral drainages, etc). If the wells go into production, mitigation of impacts to soils would include 1) upgrading roads to BLM Gold Book standards and 2) reclamation of any unused areas (ie. wellpads,

unnneeded road access). If the wells are not produced, then reclamation would mitigate and reduce impacts to soils.

3. The operator shall maintain the existing roads in a safe, usable condition, as directed by the Moab Field Office. The maintenance program shall include, but is not limited to, blading, ditching, installing culverts, and if needed, surfacing the road with rock materials. The operator shall conduct all activities associated with the San Juan County roads within the existing surface disturbances of the maintained roads. The operator shall repair all damages to the county roads resulting from traffic associated with constructing, drilling, and producing the well.
4. The operator shall not block access to roads that intersect with the main roads being used to drill these wells. If blading the road for maintenance, the operator must make sure to remove any windrow that crosses another road.
5. The operator shall salvage the topsoil from entire disturbed area of the location prior to construction of the pad. This includes removal of topsoil from the areas where spoil piles will be stored.
6. Gates and cattle guards shall be maintained to at least existing condition or better.
7. New roads constructed shall be signed Administrative use Only.

Wastes

1. All Federal and State laws would be followed regarding use, storage and disposal of hazardous materials and solid wastes.
2. No produced water or other fluids will be disposed on the well pad or roads.

Soils/Dust

1. Dust control will be provided during construction and drilling operations by spraying fresh water on new road construction, roads being maintained or utilized, and the well pad as needed.

Fuels/Fire

1. During the activities of road maintenance, new road construction, or the construction of well pads, if any standing live or dead trees were damaged, cut down, or knocked over by grading or construction equipment; actions would be taken to mitigate the fuel loads from slash generated from these activities. In areas where reclamation of the site would be expected and slash would be utilized to help reclaim the site, temporary piling of slash until termination of activities would be acceptable. In areas where reclamation is not planned in the foreseeable future, disposal of slash would be required.

Acceptable disposal actions include the chipping of materials on site with dispersal along the road or pad edge. Hauling of materials would also be acceptable with the following stipulations:

- a. BLM would pre-approve the disposal location.
- b. Piled vegetation would not be within fifteen feet of standing live trees.

- c. Because downed trees would provide an opportunity for public firewood cutting and collection, piles must be located adjacent to and accessible by road.
- d. All burning of materials would be conducted by BLM specialists.

Reclamation

1. Drill pads and new roads to non-producing wells will be reclaimed. Reclamation will include removal of new road and the incorporation of a seed mix that will provide a vegetation structure as close to the existing plant community as possible.
2. At the end of drilling operations and prior to reclamation of the reserve pit, the top of the pit will be covered with netting of one inch or less to prevent access by birds while the pit is drying.
3. The pit will not be left open for more than 6 months from the completion of drilling activities. If necessary the pit fluids will be drained and then closed prior to the 1 year deadline.
4. Interim reclamation shall be commenced within 6 months of completion of the well. Interim reclamation will include the reclamation of all the portions of the pad not required for everyday production.
5. For Interim Reclamation the operator will drill seed on the contour to a depth of 0.5 inch, followed by cultipaction to compact the seedbed, preventing soil and seed losses. To maintain quality and purity, the current years tested, certified seed with a minimum germination rate of 80% and a minimum purity of 90% will be used. Use the following seed mix:

Species – Cultivar	% in Mix	Lbs PLS*
Indian Ricegrass	50	5
Slender wheatgrass	40	4
Four-wing saltbush	40	4
Totals	100%	10.00 lbs/acre

*PLS = pure live seed

*Double this rate if broadcast seeding

6. Slopes too steep for machinery may be hand broadcast and raked with twice the specified amount of seed.

Noxious/Invasive Weeds

1. To reduce the opportunity to transport invasive and/or noxious weeds, the operator will be required to wash all vehicles and equipment before mobilizing into the project area to begin any dirt work or drilling activities.
2. The operator will be responsible for weed control on the disturbed areas within the limits of the well pad and road construction. The operator will be responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods.

3. The operator will monitor for noxious weeds that might move onto the location. If any are discovered an Integrated Pest Management Plan will be created and need BLM approval prior to beginning any treatment program.

Air Quality

1. All new and replacement internal combustion oil and gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 grams of NOx per horsepower-hour. This requirement does not apply to oil and gas field engines of less than or equal to 40 design-rated horsepower;
2. All new and replacement internal combustion oil and gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gram of NOx per horsepower-hour.

Other

1. Please contact Ben Kniola, Natural Resource Specialist, @ (435) 259-2127, Bureau of Land Management, Moab, if there are any questions concerning these surface use COAs.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the BLM, Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spud. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spud, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Moab Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor (BLM) shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Moab Field Office or the appropriate surface managing agency.

TABLE 1 NOTIFICATIONS

Notify Ben Kniola (435-259-2127) or Dave Skinner (435-259-2145) BLM Moab Field Office:

2 days prior to commencement of dirt work, construction and reclamation.

Notify Jeff Brown (435-587-1525) BLM Monticello Field Office for the following:

1 day prior to spud;

50 feet prior to reaching the surface casing setting depth;

3 hours prior to testing BOPE.

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at 435-259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Middle Mesa Unit
PHONE NUMBER: (720) 876-5339		8. WELL NAME and NUMBER: Middle Mesa Fed 26-34-29-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011' FSL & 789' FEL		9. API NUMBER: 4303731904
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 26 29S 24E S		10. FIELD AND POOL, OR WILDCAT: Undesignated

COUNTY: San Juan

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 6/1/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EnCana Oil & Gas (USA) Inc. is requesting an extension on the approved Application for Permit to Drill for the subject well. Nothing has changed on the approved application.

Please find the APD Request for Permit Extension Validation Form attached as required.

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 1-21-2010

Initials: KS

Date: 01-20-10
By: [Signature]

NAME (PLEASE PRINT) Jevin Croteau	TITLE Regulatory Analyst
SIGNATURE [Signature]	DATE 1/13/10

(This space for State use only)

RECEIVED
JAN 19 2010

DIV. OF OIL, GAS & MINING



**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4303731904
Well Name: Middle Mesa Fed 26-34-29-24
Location: 2011' FSL & 789' FEL, Sec. 26, T29S, R24E, SLPM
Company Permit Issued to: EnCana Oil & Gas (USA) Inc.
Date Original Permit Issued: 2/18/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

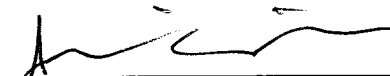
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature

1/13/10

Date

Title: Regulatory Analyst

Representing: EnCana Oil & Gas (USA) Inc.

RECEIVED

JAN 19 2010

DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING

CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

5/14/2010

FROM: (Old Operator):

N2175-EnCana Oil & Gas (USA) Inc.
 370 17th Street, Suite 1700
 Denver, CO 80202
 Phone: 1 (303) 623-2300

TO: (New Operator):

N3670-Patara Oil & Gas, LLC
 333 Clay Street, Suite 3960
 Houston, TX 77002
 Phone: 1 (713) 357-7171

CA No.

Unit:

MIDDLE MESA

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/11/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/11/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 5/11/2010
- a. Is the new operator registered in the State of Utah: Business Number: 7655540-0161
- 5a. (R649-9-2) Waste Management Plan has been received on: * * requested 9/27/10
- 5b. Inspections of LA PA state/fee well sites complete on: * * requested 9/27/10
- 5c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
 The BLM or BIA has approved the successor of unit operator for wells listed on: 6/28/2010 & 9/2/2010
- Federal and Indian Communization Agreements ("CA"):**
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 6/29/2010
 Lisbon B-816 only

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/14/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/14/2010
- Bond information entered in RBDMS on: 9/14/2010
- Fee/State wells attached to bond in RBDMS on: 9/14/2010
- Injection Projects to new operator in RBDMS on: 9/14/2010
- Receipt of Acceptance of Drilling Procedures for APD/New on: 5/11/2010

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000428
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number RLB0013207 & B006008
- b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: ENCANA OIL & GAS (USA) INC. <i>N2175</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 623-2300		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: See Attached List COUNTY:		8. WELL NAME and NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT:
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective May 4, 2010 Patara Oil & Gas LLC, 333 Clay Street, Suite 3960, Houston, TX 77002, will take over completions and operations and is designated as agent operator for the subject wells on the attached list.

Bond coverage for all activities will be covered by Patara's BLM Statewide Oil & Gas Bond No. UTB000428 and UDOGM Bond No. Pending. *RIB 0013207 + B 0006008*

Patara Oil & Gas LLC, Lane M. Kincannon, Vice-President, Land & Business Development *N3670*

Signature *[Signature]* Date 5/4/2010

NAME (PLEASE PRINT) <u>Ricardo D. Gallegos</u>	TITLE <u>Attorney-in-Fact</u>
SIGNATURE <i>[Signature]</i>	DATE <u>5/4/2010</u>

(This space for State use only)

APPROVED 9/14/2010
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
May 11 2010 ER
DIV. OF OIL, GAS & MINING

ENCANA O-G (N2175) to PATARA O-G (N3670)
effective May 4, 2010
MIDDLE MESA

well_name	sec	twp	rng	api	entity	lease	well	stat	C
BIG INDIAN 35-24	35	290S	240E	4303731829	14409	Federal	GW	S	
MIDDLE MESA ST 36-14-29-24	36	290S	240E	4303731838	15076	State	GW	P	
MIDDLE MESA FED 5-6-30-25	05	300S	250E	4303731853	16375	Federal	GW	P	
MIDDLE MESA FED 31-31-29-25	31	290S	250E	4303731854	15721	Federal	GW	P	
MIDDLE MESA ST 36-12-29-24	36	290S	240E	4303731855	16187	State	GW	P	
MIDDLE MESA ST 36-24-29-24	36	290S	240E	4303731856	16186	State	GW	S	
MIDDLE MESA ST 36-12B-29-24	36	290S	240E	4303731877	15076	State	GW	P	
MIDDLE MESA ST 36-24B-29-24	36	290S	240E	4303731878	16834	State	GW	P	
MIDDLE MESA FED 30-41-29-25	30	290S	250E	4303731893		Federal	GW	APD	C
MIDDLE MESA FED 31-42-29-25	31	290S	250E	4303731895		Federal	GW	APD	C
MIDDLE MESA FED 5-10-30-25	05	300S	250E	4303731897		Federal	GW	APD	
MIDDLE MESA FED 4-20-30-25	04	300S	250E	4303731898		Federal	GW	APD	C
MIDDLE MESA FED 25-43-29-24	25	290S	240E	4303731901		Federal	GW	APD	C
MIDDLE MESA FED 25-31-29-24	25	290S	240E	4303731903		Federal	GW	APD	C
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904		Federal	GW	APD	C
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905		Federal	GW	APD	C
MIDDLE MESA FED 31-44-29-25	31	290S	250E	4303731906		Federal	GW	APD	C
MIDDLE MESA FED 31-33-29-25	31	290S	250E	4303731907		Federal	GW	APD	C
MIDDLE MESA FED 5-8-30-25	05	300S	250E	4303731908		Federal	GW	APD	C
MIDDLE MESA FED 31-22-29-25	31	290S	250E	4303731909		Federal	GW	APD	
MIDDLE MESA FED 31-11-29-25	31	290S	250E	4303731910		Federal	GW	APD	
**Moved 7/14/2010									
MIDDLE MESA FED 25-41-29-24	25	290S	240E	4303731902		Federal	GW	APD	C



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO
3180
UT-922

June 28, 2010

David M. Laramie
Patara Oil & Gas, LLC
621 17th Street, Suite 1345
Denver, CO 80293

Re: Successor Operator
Middle Mesa Unit
UTU82680X
San Juan County, Utah

Dear Mr. Laramie:

On June 25, 2010, we received an indenture dated May 4, 2010, whereby EnCana Oil & Gas (USA), Inc. resigned as Unit Operator and Patara Oil & Gas, LLC was designated as Successor Unit Operator for the Middle Mesa Unit, San Juan County, Utah. The indenture was executed by both parties and the signatory parties (working interest owners) have complied with Sections 5 and 6 of the unit agreement.

The instrument is hereby approved effective June 28, 2010. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Middle Mesa Unit Agreement.

Your statewide oil and gas BLM Bond No. UTB000428 will be used to cover unit operations.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate Federal offices, with one copy returned herewith.

If you have any questions, contact Leslie Wilcken of this office at (801) 539-4112.

Sincerely,

/s/ Roger L. Bankert

Roger L. Bankert
Chief, Branch of Minerals

Enclosure

RECEIVED

JUL 06 2010

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Middle Mesa Fed 26-34-29-24
API number:	4303731904
Location:	Qtr-Qtr: NESW Section: 26 Township: 29S Range: 24E
Company that filed original application:	EnCana Oil & Gas (USA) Inc.
Date original permit was issued:	02/18/2009
Company that permit was issued to:	EnCana Oil & Gas (USA) Inc.

Check one	Desired Action:
	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?		<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0013207</u>	<input checked="" type="checkbox"/>	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Lane Kincannon

Title Vice-President, Land & Business Development

Signature 

Date 5/4/10

Representing (company name) Palara Oil & Gas LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

RECEIVED

May 11 2010 ER

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		8. WELL NAME and NUMBER: MIDDLE MESA FED 26-34-29-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011 FSL 0789 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 26 Township: 29.0S Range: 24.0E Meridian: S		9. API NUMBER: 43037319040000
PHONE NUMBER: 303 825-0685 Ext		9. FIELD and POOL or WILDCAT: UNDESIGNATED
COUNTY: SAN JUAN		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/1/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas, LLC requests the extension of the above mentioned APD for the maximum time allowable. The federal approval is valid until January 6, 2012. Please contact Christopher A. Noonan at Banko Petroleum Management, Inc. at 303-820-4480, or at bob@banko1.com with any questions or concerns.

Thank you.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02/15/2011

By:

NAME (PLEASE PRINT) Christopher A. Noonan	PHONE NUMBER 303 820-4480	TITLE Permit Agent
SIGNATURE N/A	DATE 2/9/2011	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43037319040000

API: 43037319040000

Well Name: MIDDLE MESA FED 26-34-29-24

Location: 2011 FSL 0789 FEL QTR NESW SEC 26 TWP 290S RNG 240E MER S

Company Permit Issued to: PATARA OIL & GAS, LLC

Date Original Permit Issued: 2/18/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Christopher A. Noonan

Date: 2/9/2011

Title: Permit Agent

Representing: PATARA OIL & GAS, LLC

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		8. WELL NAME and NUMBER: MIDDLE MESA FED 26-34-29-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011 FSL 0789 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 26 Township: 29.0S Range: 24.0E Meridian: S		9. API NUMBER: 43037319040000
9. FIELD and POOL or WILDCAT: UNDESIGNATED		COUNTY: SAN JUAN
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/18/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The attached document outlines changes to the previously approved APD Drilling Program. This filing is to request approval to change the BHL, pad layout, directional plan, and the drilling program. Please send copies of all correspondence to either Danielle Gavito or David Banko at 385 Inverness Parkway, Suite 420, Englewood, CO 80112 or to danielle@banko1.com or david@banko1.com respectively. Thank you.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06/27/2011

By:

NAME (PLEASE PRINT) Kimberly J. Rodell	PHONE NUMBER 303 820-4480	TITLE Permit Agent
SIGNATURE N/A	DATE 6/20/2011	



Patara Oil & Gas LLC

600 17th Street, Suite 1900 S, Denver, CO 80202

Phone (303) 825-0685 . Fax (720) 235-4560

June 21, 2011

VIA OVERNIGHT DELIVERY

Ms. Diane Mason
Utah Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

RE: Rule R649-3-11. Directional Drilling
Middle Mesa No. 26-34-29-24 Well
Middle Mesa Unit Federal Unit
San Juan County, Utah

Dear Ms. Mason:

Reference is made to that certain application for permit to drill (APD) covering the captioned well, which well is presently surface located 2,011' FSL and 789' FEL of Section 26, T29S, R24E, and bottomhole located 2,272' FSL and 1,348' FEL of said Section 26, San Juan County, Utah (Please see enclosed plat). The bottomhole location for this step out well targeting the Honaker Trail formation is located outside the 400 feet square "window" provided for under state rule R649-3-2. In accordance with state rule R649-3-11, Patara hereby respectfully requests an exception to said Location and Siting Wells rule, and provides the following information in support thereof:

- 1.) Patara holds 100% of the oil and gas leasehold interest within a 460 feet radius of the proposed bottomhole location. Said leasehold is covered under 1.) Federal Oil and Gas Lease bearing serial number UTU-76053, which lease covers, in part, the SE4 of said Section 26, and the S2 of adjoining Section 25, and 2.) Federal Oil and Gas Lease bearing serial number UTU-77538, which lease covers, in part, the N2 of said Section 26. The surface estate to the drillsite tract and mineral estate covered by said leases are part of the Federal Public Domain
- 2.) The change in the bottomhole location from the original APD filed by Patara's predecessor is based upon the results of the recently drilled Middle Mesa No. 25-41-29-24 well located on trend and SE of the captioned well in the SW4 of adjoining Section 25. We witnessed partial depletion in the Honaker Trail formation in the MM 25-41 well from the MM No. 36-12-29-24 well located on trend and SE of said MM 25-41 well in Section 36 of same Township, warranting a larger spacing pattern, with more distance between wells. We, therefore

RECEIVED Jun. 20, 2011

moved the bottomole to the NW, further away from the MM 25-41 well. A major NW/SE trending fault sets up the Honaker Trail/La Sal play in the Middle Mesa area. Patara is stepping out from known production by drilling wells along this fault trend at a spacing pattern that is more economical efficient.

In consideration of the foregoing, we therefore respectfully request an exception to rule R649-3-2 for purposes of drilling the captioned well with a bottomhole at the location set forth in the revised APD. Should you have any questions, regarding this matter, please do not hesitate to give me a call at 303-563-5362.

Sincerely,

Patara Oil & Gas LLC



R. G. Davis, CPL

Vice President, Land

Enclosure

R. 24 E.

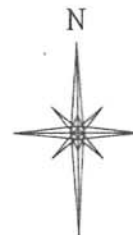
MIDDLE MESA
FED
26-34-29-24
UNGRADED ELEVATION:
6813.2'

Basis of Elevation: USGS spot
elevation located on the SW corner
Section 25, T29S, R24E,
Elevation: 6852'

BHL
LATITUDE (NAD 83)
NORTH 38.251041 DEG.
LONGITUDE (NAD 83)
WEST 109.241089 DEG.

LATITUDE (NAD 27)
NORTH 38.251050 DEG.
LONGITUDE (NAD 27)
WEST 109.240424 DEG.

NORTHING
584743
EASTING
2648845



SCALE: 1" = 1000'

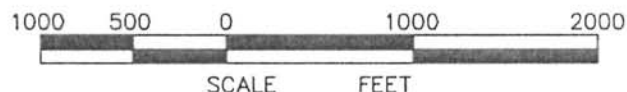
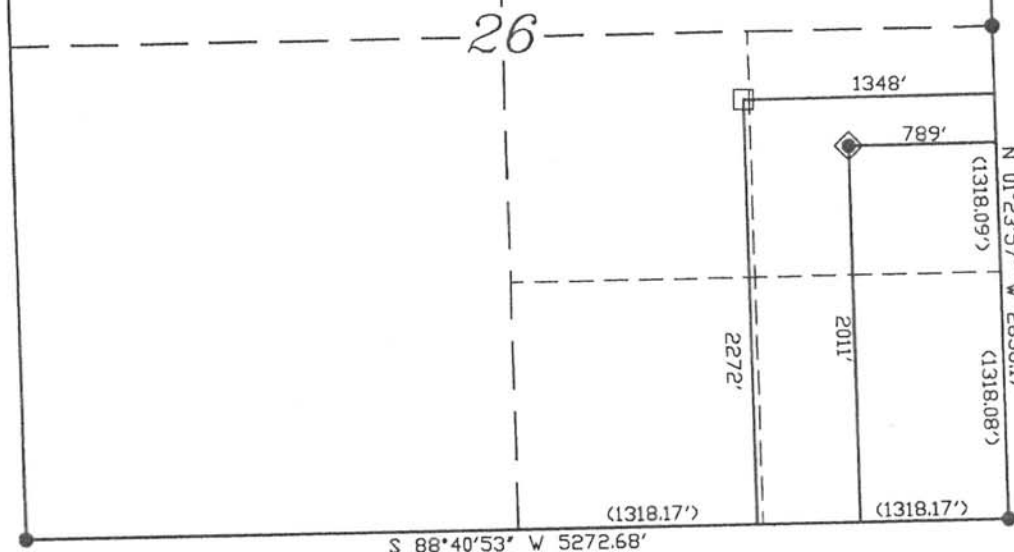
T. 29 S.

LATITUDE (NAD27)
NORTH 38.250330 DEG.
LONGITUDE (NAD27)
WEST 109.238478 DEG.

LATITUDE (NAD83)
NORTH 38.250318 DEG.
LONGITUDE (NAD83)
WEST 109.239143 DEG.

NORTHING
584494.56
EASTING
2649409.96

BASIS OF BEARING/DATUM
SPCS UT SOUTH (NAD 27)



SURVEYOR'S STATEMENT

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on OCTOBER 22, 2008, and it correctly shows the location of MIDDLE MESA FEDERAL 26-34-29-24.

NOTES

- ◆ WELL LOCATION
- BOTTOM HOLE LOC. (APPROX.)
- FOUND MONUMENT (BC)



RIFFIN & ASSOCIATES, INC.
1414 ELK ST., ROCK SPRINGS, WY 82901

(307) 362-5028

DRAWN: 11/10/08

SCALE: 1" = 1000'

REVISED: 5/19/11 - DEH

DRG JOB No. 15801

NEW BHL

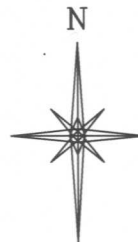
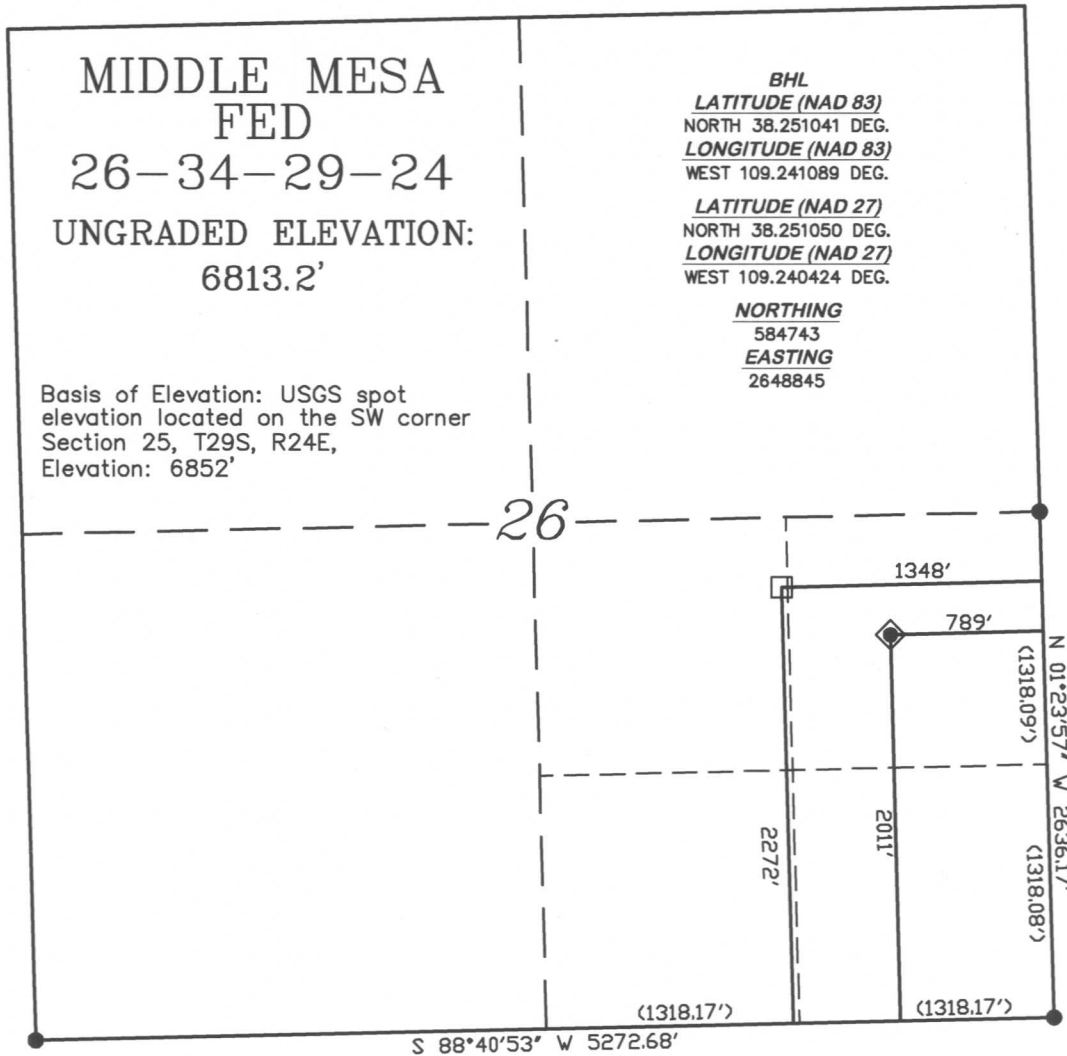
EXHIBIT 1

**PLAT OF DRILLING LOCATION
FOR
PATARA OIL & GAS, LLC.**

**2011' F/SL & 789' F/EL, SECTION 26,
T. 29 S., R. 24 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH**

RECEIVED Jun. 20, 2011

R. 24 E.



SCALE: 1" = 1000'

T. 29 S.

LATITUDE (NAD27)
NORTH 38.250330 DEG.
LONGITUDE (NAD27)
WEST 109.238478 DEG.

LATITUDE (NAD83)
NORTH 38.250318 DEG.
LONGITUDE (NAD83)
WEST 109.239143 DEG.

NORTHING
584494.56
EASTING
2649409.96

BASIS OF BEARING/DATUM
SPCS UT SOUTH (NAD 27)

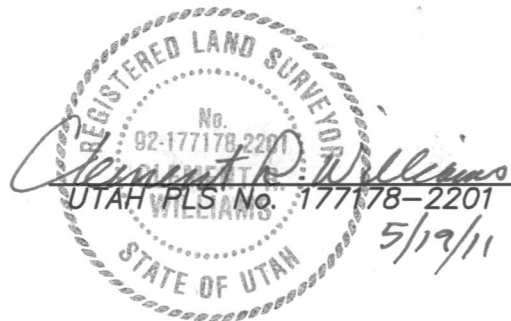


SURVEYOR'S STATEMENT

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on OCTOBER 22, 2008, and it correctly shows the location of MIDDLE MESA FEDERAL 26-34-29-24.

NOTES

- ◆ WELL LOCATION
- BOTTOM HOLE LOC. (APPROX.)
- FOUND MONUMENT (BC)



RIFFIN & ASSOCIATES, INC.

1414 ELK ST., ROCK SPRINGS, WY 82901

DRAWN: 11/10/08

SCALE: 1" = 1000'

REVISED: 5/19/11 - DEH

DRG JOB No. 15801

NEW BHL

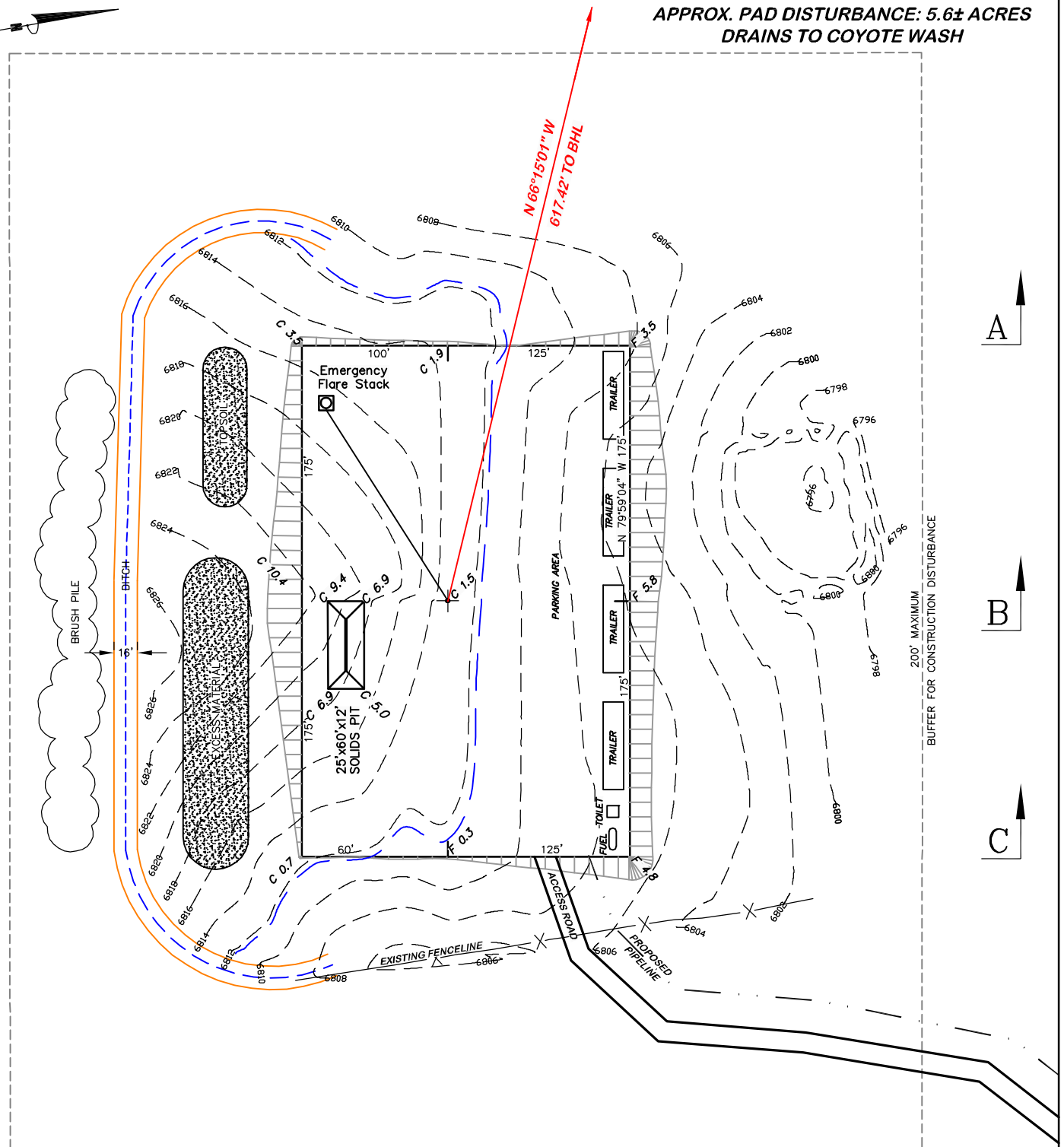
EXHIBIT 1

**PLAT OF DRILLING LOCATION
FOR
PATARA OIL & GAS, LLC.**

**2011' F/SL & 789' F/EL, SECTION 26,
T. 29 S., R. 24 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH**

RECEIVED

UNGRADED ELEVATION: 6813.2'
 FINISHED ELEVATION: 6811.7'
 APPROX. PAD DISTURBANCE: 5.6± ACRES
 DRAINS TO COYOTE WASH



BEFORE DIGGING
 CALL FOR
 UTILITY LINE LOCATION
 NOTE: THE EARTH QUANTITIES ON
 THIS DRAWING ARE ESTIMATED
 AND THE USE OF IS AT THE
 RESPONSIBILITY OF THE USER.

100 0 100
 SCALE FEET

MIDDLE MESA FED 26-34-29-24

DRG RIFFIN & ASSOCIATES, INC.
 (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901

DRAWN: 5/13/11 - DEH

SCALE: 1" = 100'

REVISED: 5/19/11 - DEH

DRG JOB No. 15801

ADDED BHL

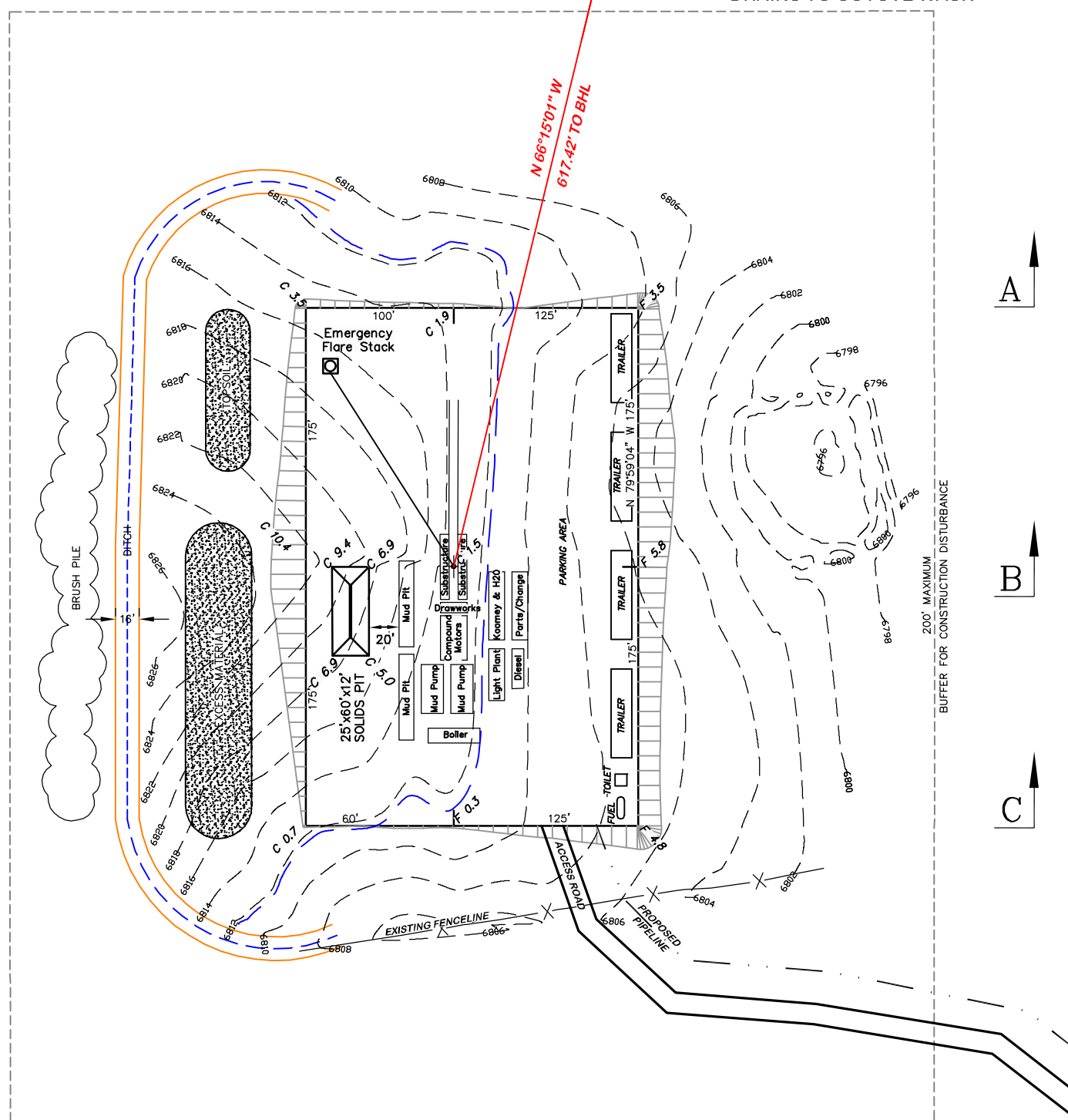
EXHIBIT 2A

PATARA OIL & GAS, LLC.
MIDDLE MESA FED 26-34-29-24
SECTION 26, T29S, R24E

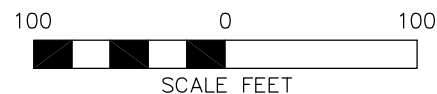
UNGRADED ELEVATION: 6813.2'
 FINISHED ELEVATION: 6811.7'

RECEIVED Jun. 20, 2011

UNGRADED ELEVATION: 6813.2'
 FINISHED ELEVATION: 6811.7'
 APPROX. PAD DISTURBANCE: 5.6± ACRES
 DRAINS TO COYOTE WASH



BEFORE DIGGING
 CALL FOR
 UTILITY LINE LOCATION
 NOTE: THE EARTH QUANTITIES ON
 THIS DRAWING ARE ESTIMATED
 AND THE USE OF IS AT THE
 RESPONSIBILITY OF THE USER.



MIDDLE MESA FED 26-34-29-24



(307) 362-5028

RIFFIN & ASSOCIATES, INC.
 1414 ELK ST., ROCK SPRINGS, WY 82901

PATARA OIL & GAS, LLC.
MIDDLE MESA FED 26-34-29-24
SECTION 26, T29S, R24E

ESTIMATED EARTHWORK

	ITEM	CUT	FILL	TOPSOIL	EXCESS
DRAWN: 11/10/08	PAD	6,250 CY	4,606 CY	1,458 CY	186 CY
REVISED: 5/19/11 - DEH	PIT	341 CY			341 CY
ADDED BHL	TOTALS	6,591 CY	4,606 CY	1,458 CY	527 CY

RECEIVED Jun. 20, 2011

Patara Oil & Gas, LLC

San Juan County, UT

Section 26-T29S-R24E

Middle Mesa 26-34-29-24

Preliminary Directional Plan for APD 05-18-11

Plan: Preliminary Directional Plan for APD 05-18-11

Standard Planning Report

18 May, 2011



Sundry Number: 16088 API Well Number: 43037319040000

Patara Oil & Gas, LLC
Middle Mesa 26-34-29-24
San Juan County, UT



Geodetic System: US State Plane 1927 (Exact solution)
Zone: Utah South 4303
WELL @ 6813.2ft (Original Well Elev)
Ground Level: 0.0

Latitude: 38° 15' 1.188 N

Longitude: 109° 14' 18.521 W

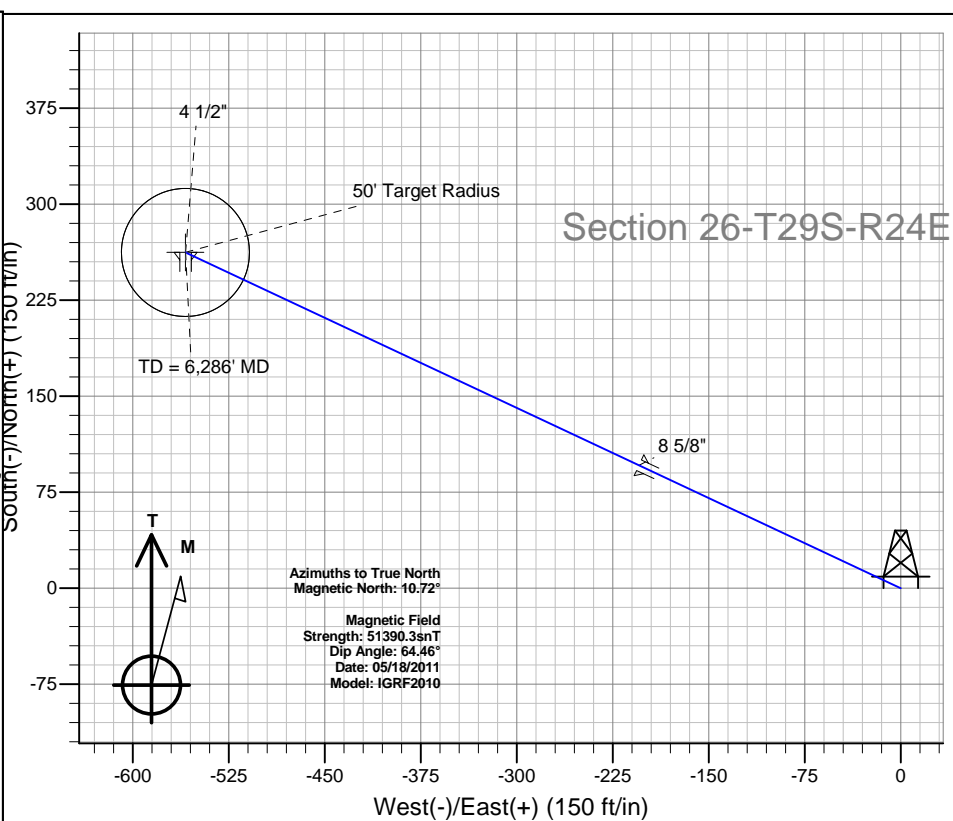
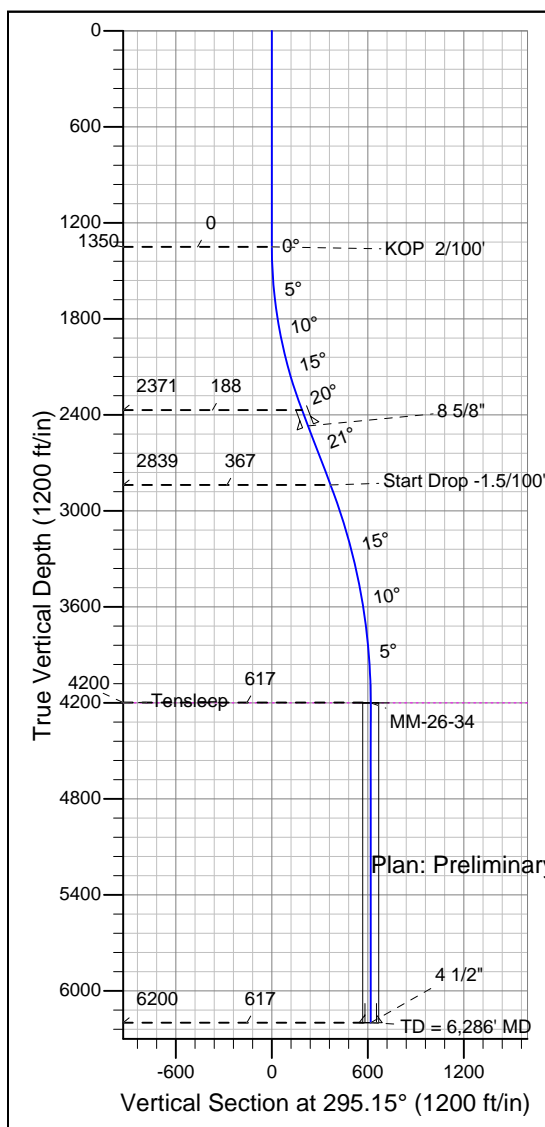
Magnetic North is 10.72° East of True North (Magnetic Declination)

SECTION DETAILS

MD	Inc	Azi	TVD	+N-S	+E-W	DLeg	TFace	VSec	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
1350.0	0.00	0.00	1350.0	0.0	0.0	0.00	0.00	0.0	
2393.8	20.88	295.15	2370.9	79.9	-170.2	2.00	295.15	188.1	
2894.7	20.88	295.15	2838.9	155.8	-331.8	0.00	0.00	366.5	
4286.4	0.00	0.00	4200.0	262.3	-558.8	1.50	180.00	617.3	MM-26-34
6286.4	0.00	0.00	6200.0	262.3	-558.8	0.00	0.00	617.3	

WELLBORE TARGET DETAILS (LAT/LONG)

Name	TVD	+N-S	+E-W	Latitude	Longitude	Shape
MM-26-34	4200.0	262.3	-558.8	38° 15' 3.781 N	109° 14' 25.526 W	Circle (Radius: 50.0)



Plan: Preliminary Directional Plan for APD 05-18-11 (Middle Mesa 26-34-29-24/Preliminary Directional Plan for APD 05-18-11)

Created By: Mike Kirby

Date: 13:32, May 18 2011

Checked: _____

Date: _____

Reviewed: _____

Date: _____

Approved: _____

Date: _____

RECEIVED Jun. 20, 2011

Crescent Directional Drilling, IP

Planning Report



Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well Middle Mesa 26-34-29-24
Company:	Patara Oil & Gas, LLC	TVD Reference:	WELL @ 6813.2ft (Original Well Elev)
Project:	San Juan County, UT	MD Reference:	WELL @ 6813.2ft (Original Well Elev)
Site:	Section 26-T29S-R24E	North Reference:	True
Well:	Middle Mesa 26-34-29-24	Survey Calculation Method:	Minimum Curvature
Wellbore:	Preliminary Directional Plan for APD 05-18-11		
Design:	Preliminary Directional Plan for APD 05-18-11		

Project	San Juan County, UT		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah South 4303		

Site	Section 26-T29S-R24E		
Site Position:		Northing:	584,494.51 ft
From:	Lat/Long	Easting:	2,649,409.81 ft
Position Uncertainty:	0.0 ft	Slot Radius:	"
		Latitude:	38° 15' 1.188 N
		Longitude:	109° 14' 18.521 W
		Grid Convergence:	1.39 °

Well	Middle Mesa 26-34-29-24		
Well Position	+N/-S	0.0 ft	Northing: 584,494.51 ft
	+E/-W	0.0 ft	Easting: 2,649,409.81 ft
Position Uncertainty	0.0 ft	Wellhead Elevation:	ft
		Latitude:	38° 15' 1.188 N
		Longitude:	109° 14' 18.521 W
		Ground Level:	0.0 ft

Wellbore	Preliminary Directional Plan for APD 05-18-11				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	05/18/11	10.72	64.46	51,390

Design	Preliminary Directional Plan for APD 05-18-11			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	295.15

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,350.0	0.00	0.00	1,350.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,393.8	20.88	295.15	2,370.9	79.9	-170.2	2.00	2.00	0.00	295.15	
2,894.7	20.88	295.15	2,838.9	155.8	-331.8	0.00	0.00	0.00	0.00	
4,286.4	0.00	0.00	4,200.0	262.3	-558.8	1.50	-1.50	0.00	180.00	MM-26-34
6,286.4	0.00	0.00	6,200.0	262.3	-558.8	0.00	0.00	0.00	0.00	

Crescent Directional Drilling, IP

Planning Report



Database: EDM 2003.16 Single User Db
Company: Patara Oil & Gas, LLC
Project: San Juan County, UT
Site: Section 26-T29S-R24E
Well: Middle Mesa 26-34-29-24
Wellbore: Preliminary Directional Plan for APD 05-18-11
Design: Preliminary Directional Plan for APD 05-18-11

Local Co-ordinate Reference: Well Middle Mesa 26-34-29-24
TVD Reference: WELL @ 6813.2ft (Original Well Elev)
MD Reference: WELL @ 6813.2ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,350.0	0.00	0.00	1,350.0	0.0	0.0	0.0	0.00	0.00	0.00
KOP 2/100'									
1,400.0	1.00	295.15	1,400.0	0.2	-0.4	0.4	2.00	2.00	0.00
1,500.0	3.00	295.15	1,499.9	1.7	-3.6	3.9	2.00	2.00	0.00
1,600.0	5.00	295.15	1,599.7	4.6	-9.9	10.9	2.00	2.00	0.00
1,700.0	7.00	295.15	1,699.1	9.1	-19.3	21.4	2.00	2.00	0.00
1,800.0	9.00	295.15	1,798.2	15.0	-31.9	35.3	2.00	2.00	0.00
1,900.0	11.00	295.15	1,896.6	22.4	-47.6	52.6	2.00	2.00	0.00
2,000.0	13.00	295.15	1,994.4	31.2	-66.5	73.4	2.00	2.00	0.00
2,100.0	15.00	295.15	2,091.5	41.5	-88.4	97.6	2.00	2.00	0.00
2,200.0	17.00	295.15	2,187.6	53.2	-113.3	125.2	2.00	2.00	0.00
2,300.0	19.00	295.15	2,282.7	66.3	-141.3	156.1	2.00	2.00	0.00
2,393.8	20.88	295.15	2,370.9	79.9	-170.2	188.1	2.00	2.00	0.00
EOB Hold 20.88 Deg									
2,400.0	20.88	295.15	2,376.7	80.8	-172.2	190.3	0.00	0.00	0.00
2,500.0	20.88	295.15	2,470.1	96.0	-204.5	225.9	0.00	0.00	0.00
8 5/8"									
2,600.0	20.88	295.15	2,563.5	111.1	-236.8	261.5	0.00	0.00	0.00
2,700.0	20.88	295.15	2,657.0	126.3	-269.0	297.2	0.00	0.00	0.00
2,800.0	20.88	295.15	2,750.4	141.4	-301.3	332.8	0.00	0.00	0.00
2,894.7	20.88	295.15	2,838.9	155.8	-331.8	366.6	0.00	0.00	0.00
Start Drop -1.5/100'									
2,900.0	20.80	295.15	2,843.8	156.6	-333.5	368.4	1.51	-1.51	0.00
3,000.0	19.30	295.15	2,937.8	171.1	-364.6	402.7	1.50	-1.50	0.00
3,100.0	17.80	295.15	3,032.6	184.6	-393.3	434.5	1.50	-1.50	0.00
3,200.0	16.30	295.15	3,128.2	197.1	-419.9	463.8	1.50	-1.50	0.00
3,300.0	14.80	295.15	3,224.5	208.5	-444.1	490.6	1.50	-1.50	0.00
3,400.0	13.30	295.15	3,321.5	218.8	-466.1	514.9	1.50	-1.50	0.00
3,500.0	11.80	295.15	3,419.1	228.0	-485.8	536.6	1.50	-1.50	0.00
3,600.0	10.30	295.15	3,517.3	236.2	-503.1	555.8	1.50	-1.50	0.00
3,700.0	8.80	295.15	3,615.9	243.2	-518.1	572.4	1.50	-1.50	0.00
3,800.0	7.30	295.15	3,714.9	249.2	-530.8	586.4	1.50	-1.50	0.00
3,900.0	5.80	295.15	3,814.2	254.0	-541.1	597.8	1.50	-1.50	0.00
4,000.0	4.30	295.15	3,913.9	257.7	-549.1	606.6	1.50	-1.50	0.00
4,100.0	2.80	295.15	4,013.7	260.4	-554.7	612.8	1.50	-1.50	0.00
4,200.0	1.30	295.15	4,113.6	261.9	-557.9	616.3	1.50	-1.50	0.00
4,286.4	0.00	0.00	4,200.0	262.3	-558.8	617.3	1.50	-1.50	0.00
EOD Hold 0 Degrees - Tensleep - MM-26-34									
4,300.0	0.00	0.00	4,213.6	262.3	-558.8	617.3	0.00	0.00	0.00

Crescent Directional Drilling, IP

Planning Report



Database: EDM 2003.16 Single User Db
Company: Patara Oil & Gas, LLC
Project: San Juan County, UT
Site: Section 26-T29S-R24E
Well: Middle Mesa 26-34-29-24
Wellbore: Preliminary Directional Plan for APD 05-18-11
Design: Preliminary Directional Plan for APD 05-18-11

Local Co-ordinate Reference: Well Middle Mesa 26-34-29-24
TVD Reference: WELL @ 6813.2ft (Original Well Elev)
MD Reference: WELL @ 6813.2ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,400.0	0.00	0.00	4,313.6	262.3	-558.8	617.3	0.00	0.00	0.00
4,500.0	0.00	0.00	4,413.6	262.3	-558.8	617.3	0.00	0.00	0.00
4,600.0	0.00	0.00	4,513.6	262.3	-558.8	617.3	0.00	0.00	0.00
4,700.0	0.00	0.00	4,613.6	262.3	-558.8	617.3	0.00	0.00	0.00
4,800.0	0.00	0.00	4,713.6	262.3	-558.8	617.3	0.00	0.00	0.00
4,900.0	0.00	0.00	4,813.6	262.3	-558.8	617.3	0.00	0.00	0.00
5,000.0	0.00	0.00	4,913.6	262.3	-558.8	617.3	0.00	0.00	0.00
5,100.0	0.00	0.00	5,013.6	262.3	-558.8	617.3	0.00	0.00	0.00
5,200.0	0.00	0.00	5,113.6	262.3	-558.8	617.3	0.00	0.00	0.00
5,300.0	0.00	0.00	5,213.6	262.3	-558.8	617.3	0.00	0.00	0.00
5,400.0	0.00	0.00	5,313.6	262.3	-558.8	617.3	0.00	0.00	0.00
5,500.0	0.00	0.00	5,413.6	262.3	-558.8	617.3	0.00	0.00	0.00
5,600.0	0.00	0.00	5,513.6	262.3	-558.8	617.3	0.00	0.00	0.00
5,700.0	0.00	0.00	5,613.6	262.3	-558.8	617.3	0.00	0.00	0.00
5,800.0	0.00	0.00	5,713.6	262.3	-558.8	617.3	0.00	0.00	0.00
5,900.0	0.00	0.00	5,813.6	262.3	-558.8	617.3	0.00	0.00	0.00
6,000.0	0.00	0.00	5,913.6	262.3	-558.8	617.3	0.00	0.00	0.00
6,100.0	0.00	0.00	6,013.6	262.3	-558.8	617.3	0.00	0.00	0.00
6,200.0	0.00	0.00	6,113.6	262.3	-558.8	617.3	0.00	0.00	0.00
6,286.4	0.00	0.00	6,200.0	262.3	-558.8	617.3	0.00	0.00	0.00
TD = 6,286' MD									

Targets**Target Name**

- hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
MM-26-34 - plan hits target center - Circle (radius 50.0)	0.00	0.00	4,200.0	262.3	-558.8	584,743.22	2,648,844.83	38° 15' 3.781 N	109° 14' 25.526 W

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
2,500.0	2,470.1	8 5/8"	8-5/8	12-1/4
6,286.4	6,200.0	4 1/2"	4-1/2	7-7/8

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
4,286.4	4,200.0	Tensleep		0.00	

Crescent Directional Drilling, IP

Planning Report



Database: EDM 2003.16 Single User Db
Company: Patara Oil & Gas, LLC
Project: San Juan County, UT
Site: Section 26-T29S-R24E
Well: Middle Mesa 26-34-29-24
Wellbore: Preliminary Directional Plan for APD 05-18-11
Design: Preliminary Directional Plan for APD 05-18-11

Local Co-ordinate Reference: Well Middle Mesa 26-34-29-24
TVD Reference: WELL @ 6813.2ft (Original Well Elev)
MD Reference: WELL @ 6813.2ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
1,350.0	1,350.0	0.0	0.0	KOP 2/100'
2,393.8	2,370.9	79.9	-170.2	EOB Hold 20.88 Deg
2,894.7	2,838.9	155.8	-331.8	Start Drop -1.5/100'
4,286.4	4,200.0	262.3	-558.8	EOD Hold 0 Degrees
6,286.4	6,200.0	262.3	-558.8	TD = 6,286' MD

PATARA OIL & GAS LLC
 Middle Mesa Federal 26-34-29-24
 API #: 43-037-31904
DRILLING PROGRAM
 REVISED May 13, 2011

Surface Cement:

TOC for Lead - Surface

TOC for Tail – 2,100' (400' above surface casing shoe)

Production Cement:

TOC – 2,000' (500' above surface casing shoe)

SURFACE:

Lead Cement	Type III, 35/65 Poz, 11.6 ppg
Lead Yield	2.81 ft ³
Tail Cement	Type III, 1% CaCl, 14.2 ppg
Tail Yield	1.47 ft ³
Hole Size	11"
Surface TD	2,500'
Tail Fill	400'
Casing OD	8.625" 8-5/8", 32# J-55, STC
Casing ID	7.921"
Shoe Jt.	40'
Annular Capacity	0.254 ft ³ /ft
Shoe Jt. Capacity	13.69 ft ³
Lead Excess	70%
Tail Excess	70%
Lead Volume	323 sxs
Tail Volume	127 sxs

PRODUCTION:

Cement	Type III, 35/65 Poz + 6% Gel, 12.5 ppg
Yield	2.16 ft ³ /sx
Hole Size	7.875"
TD	6,286'
Casing OD	4.5" 4-1/2", 11.60#, N-80, LTC
Casing ID	4"
Shoe Jt.	40'
Annular Capacity	0.228 ft ³ /ft
Shoe Jt. Capacity	3.49 ft ³
Excess	25%
Cement Volume	565 sxs

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		8. WELL NAME and NUMBER: MIDDLE MESA FED 26-34-29-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011 FSL 0789 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 26 Township: 29.0S Range: 24.0E Meridian: S		9. API NUMBER: 43037319040000
9. FIELD and POOL or WILDCAT: UNDESIGNATED		COUNTY: SAN JUAN
STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 7/9/2011	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Patara Oil & Gas LLC spud the Middle Mesa Fed 26-34-29-24 well with Frontier Rig #4 on Saturday, July 9, 2011 at 9pm. Please send copies of all correspondence to either David Banko or Danielle Gavito at 385 Inverness Parkway, Suite 420, Englewood, CO 80112 or to david@banko1.com or danielle@banko1.com , respectively. Thank you.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Kimberly J. Rodell	PHONE NUMBER 303 820-4480	TITLE Permit Agent
SIGNATURE N/A	DATE 7/12/2011	

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: PATARA OIL & GAS, LLC

Well Name: MIDDLE MESA FED 26-34-29-24

Api No: 43-037-31904 Lease Type FEDERAL

Section 26 Township 29S Range 24E County SAN JUAN

Drilling Contractor _____ RIG # _____

SPUDDED:

Date 07/09/2011

Time _____

How DRY

Drilling will Commence: _____

Reported by JIM

Telephone # (713) 581-1226

Date 07/12/2011 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Patara Oil & Gas LLC Operator Account Number: N 3670
Address: 600 17th Street, Suite 1900S
city Denver
state CO zip 80202 Phone Number: (303) 563-5365

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303731904	Middle Mesa Fed 26-34-29-24		NESW	26	29S	24E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	18118	7/9/11		7/20/11		
Comments: This is a new well, spud on 07/09/2011. HATCH BHL = NESW CONFIDENTIAL							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

RECEIVED

JUL 13 2011

Danielle Gavito

Name (Please Print)

Signature

Permit Agent for Patara

Title

7/13/2011

Date

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

LEASE DESIGNATION AND SERIAL NUMBER:
UTU76053

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: Patara Oil & Gas LLC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S CITY Denver STATE CO ZIP 80202		8. WELL NAME and NUMBER: Middle Mesa Fed 26-34-29-24
PHONE NUMBER: (303) 825-0685		9. API NUMBER: 4303731904
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011FSL 789FEL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 26 29S 24E S		COUNTY: San Juan
		STATE: UTAH

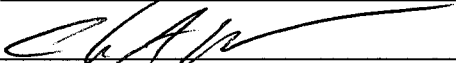
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Drilling Operations</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>Update</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please find the attached drilling summary report for the Middle Mesa Fed 26-34-29-24, covering all drilling activity conducted during the month of July, 2011. This report covers from spud date to rig off date for this well.

Please contact Christopher Noonan with Patara Oil & Gas LLC with any questions. Thank you.

NAME (PLEASE PRINT) Christopher A. Noonan	TITLE Production Technician
SIGNATURE 	DATE 8/2/2011

(This space for State use only)

RECEIVED

AUG 08 2011

DIV. OF OIL, GAS & MINING

DAILY DRILLING REPORT

WELL NAME	Patara Oil & Gas L L C, Middle Mesa Fed, 26-34		CONTRACTOR	Frontier Rig 4 #	
T.D. AT REPORT	883'	FOOTAGE	883'	CUM. DRLG. HRS.	28
PRESENT OPERATION	Drilling & Sliding W/ Pump No 1# No 2 # Down Fuel Leak			CUM. DAYS (FROM SPUD)	2

TIME BREAKDOWNS

Drilling	<u>23</u>	Trips	<u> </u>	Surveys	<u>1</u>	Rig Repair	<u> </u>
PU tools	<u> </u>	Circ	<u> </u>	Rig service	<u> </u>	NU BOP	<u> </u>
WOC		WOC		BOP		MI&RU	

BIT SUMMARY

[illegible]

SURVEYS: 735'-inc,-7.6 - azm-299.3 = 766'-inc,-7.8 - azm, -299.3 = 797'-inc-8.1'-azm-297.8

MUD PROPERTIES

Mud Wt.	8.3	Vis	25/35	WL	Filtr Ck	25	/32	pH	7.00	Oil%		Water, %	100
PV	1	YP	1	Gels				Alkalinity, ppm	0		Salt		#/bbl
Solids	0.04		%Sand	tr,	calcium, ppm		200		Chlorides	600	Other		

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 1= Bit-1.5' = 1-8"-Mud Motor-29.25' = 1-8"-Shock Sub-9.86 = 1-UBHO-2.44 = 1-NMDC- 28.96 = 1-NMDC- 30.54 = 2-8"-dc- 60.53'
1- xo sub. -3.00 = 3- 6 1/4" dc - 90.66' = Total, = 256.74 - Ft.

W.O.B.	20	RPM	32	PSI	820	GPM	516	AV _{DP} /AV _{DC}
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	89		
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	87	Date of B.O.P. Test	
SLM:	Board		Talley		Correction		Hours on BHA	28

DAILY COSTS

DAILY COSTS	DAILY	CUMULATIVE
Road & Location (gravel)		
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Formation Testing		
Directional		
Water		
Mob/demob		
Communication		

Mud
Trucking-Mud
Trucking
Super.
Mud Logging
Geologist
Pason
Pump truck
Trailer
W/H equipment
Casing crew
Float equipment
Forklift
Total Cost

[illegible]

DETAILS:

Start	End	Hrs	
6:00	12:00	6.00	Drill F/ 167' T/ 294
12:00	13:00	1.00	Trouble Shoot MWD Tool
13:00	18:00	5.00	Drill F/ 294' T/ 483'
18:00	6:00	12.00	Drill F/ 483' T/ 883' isa# ro-47

Total 24.00

Report by Jim Hogue

Date July 11, 2011

DAILY DRILLING REPORT

3

TIME BREAKDOWNS

MI&RU

BIT SUMMARY

SURVEYS: 1587'-inc,-11.3 -azm,-292.0 = 1619'-inc,-10.6-azm,-289.4 = 1682'-inc,-10.6-azm,-288.9

MUD PROPERTIES

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

$$1-xo \text{ sub, } -3.00 = 3-6 \frac{1}{4}'' \text{ dc} - 90.66' = \text{Total,} = 256.74 - \text{Ft,}$$

SLM:	Board	Talley	Correction	Hours on BHA	51.5
------	-------	--------	------------	--------------	------

DAILY COSTS

[illegible]

DETAILS:

18:00	6:00	12:00	Drill & Slide F/1274' T/1715'
-------	------	-------	-------------------------------

Total 24.00

Report by Jim Hogue

July 12, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME	Patara Oil & Gas L L C, Middle Mesa Fed, 26-34			CONTRACTOR	Frontier Rig 4 #		
T.D. AT REPORT	1971' Formation Red Clay & Green Shale V/Hard			FOOTAGE	256	CUM. DRLG. HRS.	66.5
PRESENT OPERATION	Drilling					CUM. DAYS (FROM SPUD)	4

TIME BREAKDOWNS

Drilling	15	Trips	4.5	Surveys	.	Rig Repair	
PU tools		Circ	0.5	Rig service	0.5	NU BOP	
WOC		Dirc,	1	Ream	2.5	MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811		160'	11.5	3x18		13.9

SURVEYS: 1872'= Inc,- 11.8 - AZ,-190.8 1903'= Inc, - 11.5 - Az, - 292.2

MUD PROPERTIES

Mud Wt.	8.5	Vis	45	WL	12	Filtr Ck	3	/32 pH	10.50	Oil%		Water, %	98
PV	12	YP	9	Gels	8			Alkalinity, ppm	0.02		Salt		#/bbl
Solids	2	%Sand	2	calcium, ppm		800		Chlorides	3100	Other			

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 1= Bit-1.5' = 1-8"-Mud Motor-29.25' = 1-8"-Shock Sub-9.86 = 1-UBHO-2.44 = 1-NMDC - 28.96 = 1-NMDC- 30.54 = 2-8"-dc- 60.53'
1- xo sub, -3.00 = 3- 6 1/4" dc - 90.66' = Total, = 256.74 - Ft,

W.O.B.	28	RPM	32	PSI	1025	GPM	537	AV _{Dp} /AV _{DC}	
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	85			
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	85		Date of B.O.P. Test	
SLM:	Board		Talley		Correction			Hours on BHA	69

DAILY COSTS

	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop System		
Surface Rentals			Living, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Forklift		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	9:30	3.50	Drill F/1715 T/ 1811
9:30	10:00	0.50	Circulate & Condition Hole F/ Trip
10:00	12:30	2.50	Trip Ou Of Hole
12:30	13:30	1.00	Change Bit
13:30	15:30	2.00	Trip In Hole
15:30	18:00	2.50	Wash & Ream 6 Joints To Bottom, F/1625 T/ 1811
18:00	1:30	7.50	Drlg F/ 1811 T/ 1937
1:30	2:00	0.50	Rig Service
2:00	6:00	4.00	Drlg F/ 1937 T/ 1971

Total 24.00

Report by Jim Hogue Date July 13, 2011

DAILY DRILLING REPORT

CUM. DAYS (FROM SPUD)	5
-----------------------	---

TIME BREAKDOWNS

MI&RU

BIT SUMMARY

2	11"	Hughes	5020185	1811	603	35	3x18	17.2
---	-----	--------	---------	------	-----	----	------	------

SURVEYS: 2282'-inc,-12.1-az,-298.8=2314,-inc,-12.2-aaz,-298.4=2345'-inc,-12.3-az,-298.3

MUD PROPERTIES

Solids	3	%Sand	.2	calcium, ppm	120	Chlorides	1.8	Other
--------	---	-------	----	--------------	-----	-----------	-----	-------

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 1= Bit-1.5' = 1-8"-Mud Motor-29.25' = 1-8"-Shock Sub-9.86 = 1-UBHO-2.44 = 1-NMDC - 28.96 = 1-NMDC- 30.54 = 2-8"-dc- 60.53'

$$1 - \text{xo sub. } -3.00 = 3 - 6 \frac{1}{4}'' \text{ dc} - 90.66' = \text{Total.} = 256.74 - \text{Ft.}$$

SLM:	Board	Talley	Correction	Hours on BHA	90
------	-------	--------	------------	--------------	----

DAILY COSTS

Problem	
Communication	

Total Cost		
------------	--	--

DETAILS:

18:00 6:00 12:00 Drlg F/2252 T/2414

Total 24.00

Report by Jim Hoque

Date July 14, 2011

DAILY DRILLING REPORT

WELL NAME	Patara Oil & Gas L L C, Middle Mesa Fed, 26-34		CONTRACTOR	Frontier Rig 4 #	
T.D. AT REPORT	2500'	FOOTAGE	86'	CUM. DRLG. HRS.	101
PRESENT OPERATION	Rig Up B J Cementers Hold Safety Meeting			CUM. DAYS (FROM SPUD)	6

TIME BREAKDOWNS

Drilling	<u>11</u>	Trips	<u>5</u>	Surveys	<u> </u>	Rig Repair	<u> </u>
PU tools	<u> </u>	Circ	<u>1.5</u>	Rig service	<u>0.5</u>	NU BOP	<u> </u>
run csg,	<u>6</u>	Dir,	<u> </u>	Ream	<u> </u>	MI&RU	<u> </u>

BIT SUMMARY

[illegible]

SURVEYS:

MUD PROPERTIES

Mud Wt.	8.7	Vis	45	WL	8	Filtr Ck	2	/32	pH	10.50	Oil%		Water, %	98
PV	14	YP	8	Gels	6				Alkalinity, ppm	0.3		Salt		#/bbl
Solids	2		%Sand	trace		calcium, ppm		120		Chlorides	2000	Other		
Mud mixed last 24 hrs.														

DRILLING ASSEMBLY

BHA 1= Bit-1.5' = 1-8"-Mud Motor-29.25' = 1-8"-Shock Sub-9.86' = 1-UBHO-2.44' = 1-NMDC - 28.96' = 1-NMDC- 30.54' = 2-8"-dc- 60.53'
1- xo sub, -3.00' = 3- 6 1/4" dc - 90.66' = Total, = 256.74 - Ft,

W.O.B.	25	RPM	32	PSI	1250	GPM	519	AV _{DP} /AV _{DC}
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	85		
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	85	Date of B.O.P. Test	
SLM:	Board		Talley		Correction		Hours on BHA	101

DAILY COSTS

DAILY COSTS	DAILY	CUMULATIVE
Road & Location (gravel)		
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Surface Rentals		
Directional		
Water		
Mob/demob		
Communication		

	DAILY	CUMULATIVE
Mud		
Trucking-Mud		
Trucking		
Super.		
Mud Logging		
Geologist		
Pason		
Closed Loop System		
Living, Qtrs,		
W/H equipment		
Casing crew		
Float equipment		
Forklift		
Total Cost		

DETAILS:

[illegible]

Report by Jim Hogue Date July 15, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME

Patara Oil & Gas L L C, Middle Mesa Fed, 26-34

CONTRACTOR

Frontier Rig 4 #

T.D. AT REPORT

2500'

FOOTAGE

CUM. DRLG. HRS.

101

PRESENT OPERATION

Test Bop & Choke Manifold All Safety Valves

CUM. DAYS (FROM SPUD)

7

TIME BREAKDOWNS

Drilling

Trips

Surveys

Rig Repair

PU tools

Circ

Rig service

NU BOP

run csg,

Dirc,

Ream

MI&RU

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0

SURVEYS:

MUD PROPERTIES

Mud Wt.

Vis

WL

Filtr Ck

/32

pH

Oil%

Water, %

98

PV

YP

Gels

Alkalinity, ppm

Salt

#/bbl

Solids

%Sand

calcium, ppm

Chlorides

Other

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA

W.O.B.

RPM

PSI

GPM

AV_{Dp}/AV_{Dc}

Pump #1:

Liner

5 1/2

Stroke Length

10

SPM

Pump #2:

Liner

5 1/2

Stroke Length

10

SPM

SLM:

Board

Talley

Correction

Date of B.O.P. Test

Hours on BHA

DAILY COSTS

	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop System		
Surface Rentals			Living, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Forklift		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	11:30	5.50	Run Casing Rig Up BJ Hold Pre Job Safety Meeting Pump Cement
11:30	12:00	0.50	Run Casing & Rig Down BJ
12:00	14:30	2.50	Wait On Cement, Service Rig & Clean Cellar
14:30	16:30	2.00	Wood Group Cut Off Casing Weld On 8 5/8 sow x 11" 5000 # Casing Head
16:30	0:00	7.50	Nipple Up Bop & Rotating Head & Flow Line
0:00	6:00	6.00	Test Bop& All Safety Valves Choke Manifold

Total 24.00

Report by

Jim Hogue

Date

July 16, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME	Patara Oil & Gas L L C, Middle Mesa Fed, 26-34			CONTRACTOR	Frontier Rig 4 #		
T.D. AT REPORT	2505'			FOOTAGE	5'		
PRESENT OPERATION	Condition Mud & Clean Pit Switch T/ Formate Mud				CUM. DRLG. HRS.	103	
					CUM. DAYS (FROM SPUD)	8	

TIME BREAKDOWNS							
Drilling	2	Trips	7	Surveys		Rig Repair	4
PU tools	2	Circ	4.5	Rig service	0.5	NU BOP	3
run csg,		Dirc,		Ream		MI&RU	1

BIT SUMMARY											
Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500		5	2	6x16s		2.5

SURVEYS:											
MUD PROPERTIES											
Mud Wt.		Vis		WL		Filtr Ck		/32 pH		Oil%	
PV		YP		Gels				Alkalinity, ppm		Salt	
Solids		%Sand		calcium, ppm				Chlorides		Other	
Mud mixed last 24 hrs.											

DRILLING ASSEMBLY											
BHA	1-bit-1.00 = 1-1.5-bend motor-26.27'= 1-6"-ubho-3.04'= 1-6"-nmdc-29.19' = 1-6"-nmdc-29.31' = 6-6"-dc,-184.85'= 24-4 1/2 spiral hwdp-734.07'										
Total=1007.73'											

W.O.B.	7	RPM	30	PSI	957	GPM		AV _{DP} /AV _{DC}	
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	115			
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM		Date of B.O.P. Test		
SLM:	Board		Talley		Correction		Hours on BHA	5	

DAILY COSTS		DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)				Mud		
Rig Cost				Trucking-Mud		
Fuel				Trucking		
Casing (Surface)				Super.		
Cementing				Mud Logging		
Bits				Geologist		
Downhole Rental				Pason		
Directional Equipment				Closed Loop System		
Surface Rentals				Living, Qtrs,		
Directional				W/H equipment		
Water				Casing crew		
Mob/demob				Float equipment		
Communication				Welder Test Bop		
				Total Cost		

DETAILS:			
Start	End	Hrs	
6:00	9:00	3.00	test bop upper kelly daart pipe & blind rams,choke &kill lines manifold valves annular 10-min,250# low 10-min, high 3000# high test casing t/1000# f/30 min, blm, jeff brown verified okay
9:00	12:00	3.00	instal, wear ring, pick up bha &dirc, tools
12:00	16:00	4.00	repair rig change out kelly spinner & clean out plugged flow line
16:00	18:00	2.00	test nmhc tools
18:00	22:00	4.00	trip in hole
22:00	23:00	1.00	instal rotating head
23:00	23:30	0.50	tag cement @ 2480' & drill out shoe
23:30	0:00	0.50	service rig
0:00	1:30	1.50	drill actual, f/2500 t/2505
1:30	6:00	4.50	mix mud circ & condit, displace water out with mud
Total 24.00			

Report by	Jim Hogue	Date	July 17, 2011
-----------	-----------	------	---------------

DAILY DRILLING REPORT

CUM. DAYS (FROM SPUD)	9
-----------------------	---

TIME BREAKDOWNS

MI&RU

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500		1034'	21	6x16s		1013'

SURVEYS: 3389'-inc.-9.0- az.-294.7 = 3421'- inc,- 8.8 - az,- 293.8 = 3453'- inc, - 8.8- az,-296.8

MUD PROPERTIES

Mud Wt.	8.9	Vis	38	WL	10	Filtr Ck	1	/32	pH	9.00	Oil%		Water, %	97
PV	10	YP	9	Gels	12				Alkalinity, ppm	0.3		Salt		#/bbl
Solids	3		%Sand	tr		calcium, ppm	400		Chlorides	1800		Other		
Mud mixed last 24 hrs.														

DRILLING ASSEMBLY

Total=1007.73'

W.O.B.	12	RPM	30	PSI	1050	GPM	416	AV _{DP} /AV _{DC}	
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	80			
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	80			
SLM:	Board		Talley		Correction		Date of B.O.P. Test		
							Hours on BHA	24	

DAILY COSTS

DAILY COSTS	DAILY	CUMULATIVE
Road & Location (gravel)		
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Surface Rentals		
Directional		
Water		
Mob/demob		
Communication		

	DAILY	CUMULATIVE
Mud		
Trucking-Mud		
Trucking		
Super.		
Mud Logging		
Geologist		
Pason		
Closed Loop System		
Living, Qtrs,		
W/H equipment		
Casing crew		
Float equipment		
Welder Test Bop		
Total Cost		

DETAILS:

Start	End	Hrs	
6:00	10:30	4.50	clean mud tanks, mix mud circ, & displace water out of hole
10:30	15:30	5.00	drill actual f/2505 t/ 2776' & sliding
15:30	16:00	0.50	rig service
16:00	18:00	2.00	drill actual f/2776 t/ 2902' & sliding
18:00	6:00	12.00	drill actual f/ 2902 t/3534' & sliding

Total	24.00
--------------	--------------

Report by Jim Hoque

Date July 18, 2011

WELL NAME	Patara Oil & Gas L L C, Middle Mesa Fed, 26-34		CONTRACTOR	Frontier Rig 4 #	
T.D. AT REPORT	4587'	FOOTAGE	1053'	CUM. DRLG. HRS.	145
PRESENT OPERATION	Drilling & sliding			CUM. DAYS (FROM SPUD)	10
Form, Honake Trail	F/ 4465 T/ 4475' = 94 units gas				

Drilling	23	Trips		Surveys		Rig Repair	
PU tools		Circ		Rig service	1	NU BOP	
run csg.		Dir,		Ream		MI&RU	

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500		2087	44	6x16s		47.4

Mud Wt.	9.1	Vis	40	WL	5	Filtr Ck	2	3/32 pH	9.70	Oil%		Water, %	96
PV	14	YP	18	Gels	6			Alkalinity, ppm	0.3		Salt		#/bbl
Solids	4		%Sand	tr		calcium, ppm		Chlorides	30,000		Other		

Total=1007.73'

W.O.B.	15	RPM	30	PSI	1111	GPM	487	AV _{DP} /AV _{DC}
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	80		
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	80	Date of B.O.P. Test	
SLM:	Board		Talley		Correction		Hours on BHA	47

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop System		
Surface Rentals			Living, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welder Test Bop		
			Total Cost		

[illegible]

Date July 19, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME

Patara Oil & Gas L L C, Middle Mesa Fed, 26-34

CONTRACTOR

Frontier Rig 4 #

T.D. AT REPORT

5440'

FOOTAGE

853

CUM. DRLG. HRS.

168

PRESENT OPERATION

Drilling & sliding

CUM. DAYS (FROM SPUD)

11

TIME BREAKDOWNS

Drilling

23

Trips

Surveys

Rig Repair

PU tools

Circ

Rig service

1

NU BOP

run csg,

Dir,

Ream

MI&RU

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500		2940	67	6x16s		44.9

SURVEYS: 5296'-inc,-1.1-az,-193.0 = 5328'-inc,-.5-az,-167.0 = 5360'- inc-.7 - az,-77.1

MUD PROPERTIES

Mud Wt.

9.3

Vis

40

WL

5.5

Filtr Ck

1

/32 pH

8.50

Oil%

Water, %

96

PV

12

YP

21

Gels

6

Alkalinity, ppm

0.15

Salt

#/bbl

Solids

4

%Sand

tr

calcium, ppm

Chlorides

25,000

Other

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 1-bit-1.00 = 1-1.5-bend motor-26.27'= 1-6"-ubho-3.04'= 1-6"-nmcdc-29.19' = 1-6"-nmcdc-29.31' = 6-6"-dc,-184.85'= 24-4 1/2 spiral hwdp-734.07'

Total=1007.73'

W.O.B.

14

RPM

35

PSI

1420

GPM

487

AV_{DP}/AV_{DC}

Pump #1:

Liner

5 1/2

Stroke Length

10

SPM

80

Pump #2:

Liner

5 1/2

Stroke Length

10

SPM

80

Date of B.O.P. Test

SLM:

Board

Talley

Correction

Hours on BHA

70

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop System		
Surface Rentals			Living, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welder Test Bop		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	15:15	9.25	Drill & slide f/ 4587 t/4997
15:15	15:45	0.50	service rig
15:45	18:00	2.25	drill & slide f/ 4997 t/5061
18:00	5:30	11.50	drill & slide f/5061 t/5440
5:30	6:00	0.50	service rig change out shaker screens

safety meetings are held @ each crew change

Total 24.00

Report by Jim Hogue Date July 20, 2011

DAILY DRILLING REPORT

CUM. DAYS (FROM SPUD) 12

TIME BREAKDOWNS

MI&RU

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNQ252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500	6120	3620	88	6x16s		41.1

SURVEYS: 59933'-inc,-2.1-az,-223.3=6025'-inc,-2.9-az,-220.5=6071'-inc,-3.6-az,-215.8

MUD PROPERTIES

Mud Wt.	8.8	Vis	40	WL	6	Filtr Ck	1	/32 pH	9.30	Oil%		Water, %	97
PV	13	YP	15	Gels	7			Alkalinity, ppm	0.15		Salt		#/bbl
Solids	3		%Sand	tr		calcium, ppm		Chlorides	30,000		Other		

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

Total=1007.73'

W.O.B.	18	RPM	35	PSI	1420	GPM	487	AV _{DP} /AV _{DC}
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	80		
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	80	Date of B.O.P. Test	
SLM:	Board		Talley		Correction		Hours on BHA	91

DAILY COSTS

DAILY COSTS	DAILY	CUMULATIVE
Road & Location (gravel)		
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Surface Rentals		
Directional		
Water		
Mob/demob		
Communication		

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud disposal		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			misc. supplies		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop System		
Surface Rentals			Living, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welder Test Bop		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	16:00	10.00	drill & slide f/ 5440' t/ 5820'
16:00	16:30	0.50	rig service
16:30	18:00	1.50	drill & slide f/ 5820 t/ 5852'
18:00	1:00	7.00	drill & slide f/5852 t/ 6042'
1:00	1:30	0.50	circulate bottoms up
1:30	4:00	2.50	short trip 25 stands trip in t/ 6042' no drag or overpull
4:00	6:00	2.00	drill & slide f/6042' t/ 6120' geoglist called td

Total 24.00

Report by Jim Hogue

Date July 21, 2011

DAILY DRILLING REPORT

WELL NAME	Patará Oil & Gas L L C, Middle Mesa Fed, 26-34		CONTRACTOR	Frontier Rig 4 #	
T.D. AT REPORT	6120'	FOOTAGE	CUM. DRLG. HRS.	189	
PRESENT OPERATION	rig down weatherford wireline unit		CUM. DAYS (FROM SPUD)	13	

TIME BREAKDOWNS

Drilling		Trips	5	Surveys		Rig Repair	
PU tools		Circ	1	Rig service		NU BOP	
run csg,		Dir,		run logs	18	MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500	6120	3620	88	6x16s		41.1

SURVEYS:

MUD PROPERTIES

Mud Wt.	8.9	Vis	41	WL	6	Filtr Ck	1	/32	pH	9.30	Oil%		Water, %	97
PV	13	YP	15	Gels	7			Alkalinity, ppm	0.15			Salt		#/bbl
Solids	3		%Sand	tr		calcium, ppm		Chlorides		27,000		Other		

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA

W.O.B.		RPM	35	PSI	1420	GPM	487	AV _{DP} /AV _{DC}	
Pump #1:	Liner	5 1/2	Stroke Length 10	SPM	80				
Pump #2:	Liner	5 1/2	Stroke Length 10	SPM	80				
SLM:	Board		Talley		Correction		Date of B.O.P. Test		
							Hours on BHA		91

DAILY COSTS

DAILY COSTS	DAILY	CUMULATIVE
Road & Location (gravel)	\$	-
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Surface Rentals		
Logging		
Water		
Mob/demob		
Communication		

	DAILY	CUMULATIVE
Mud		
Trucking-Mud disposal		
Trucking		
Super.		
misc, supplies		
Geologist		
Pason		
Closed Loop System		
Living, Qtrs,		
W/H equipment		
Casing crew		
Float equipment		
Welder Test Bop		
Total Cost		

DETAILS:

Start	End	Hrs	
6:00	7:00	1.00	circulate & condition hole f/logs
7:00	9:30	2.50	trip out of hole & strap out
9:30	12:00	2.50	lay down directional tools break off bit
12:00	18:00	6.00	rig up weatherford run sonic logs
18:00	5:30	11.50	run wireline production log
5:30	6:00	0.50	rig down wireline unit

Total	24.00
-------	-------

Report by **Jim Hoque**

Date July 22, 2011

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

LEASE DESIGNATION AND SERIAL NUMBER:
UTU76053

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: Patara Oil & Gas LLC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S CITY Denver STATE CO ZIP 80202		8. WELL NAME and NUMBER: Middle Mesa Fed 26-34-29-24
PHONE NUMBER: (303) 825-0685		9. API NUMBER: 4303731904
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011FSL 789FEL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 26 29S 24E S		COUNTY: San Juan
		STATE: UTAH

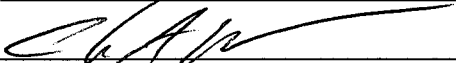
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Drilling Operations</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>Update</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please find the attached drilling summary report for the Middle Mesa Fed 26-34-29-24, covering all drilling activity conducted during the month of July, 2011. This report covers from spud date to rig off date for this well.

Please contact Christopher Noonan with Patara Oil & Gas LLC with any questions. Thank you.

NAME (PLEASE PRINT) Christopher A. Noonan	TITLE Production Technician
SIGNATURE 	DATE 8/2/2011

(This space for State use only)

RECEIVED

AUG 08 2011

DIV. OF OIL, GAS & MINING

DAILY DRILLING REPORT

WELL NAME	Pataro Oil & Gas L L C, Middle Mesa Fed, 26-34		CONTRACTOR	Frontier Rig 4 #	
T.D. AT REPORT	883'	FOOTAGE	883'	CUM. DRLG. HRS.	28
PRESENT OPERATION	Drilling & Sliding W/ Pump No 1# No 2 # Down Fuel Leak			CUM. DAYS (FROM SPUD)	2

TIME BREAKDOWNS

Drilling	23	Trips		Surveys	1	Rig Repair	
PU tools		Circ		Rig service		NU BOP	
WOC		WOC		BOP		MI&RU	

BIT SUMMARY

[illegible]

SURVEYS: 735'-inc,-7.6 - azm-299.3 = 766'-inc,-7.8 - azm, -299.3 = 797'-inc-8.1'-azm-297.8

MUD PROPERTIES

Mud Wt.	8.3	Vis	25/35	WL	Filtr Ck	25	/32	pH	7.00	Oil%		Water, %	100
PV	1	YP	1	Gels				Alkalinity, ppm	0		Salt		#/bbl
Solids	0.04		%Sand	tr,	calcium, ppm	200		Chlorides	600	Other			

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 1= Bit-1.5' = 1-8"-Mud Motor-29.25' = 1-8"-Shock Sub-9.86' = 1-UBHO-2.44' = 1-NMDC - 28.96' = 1-NMDC- 30.54' = 2-8"-dc- 60.53'
1- xo sub, -3.00' = 3- 6 1/4" dc - 90.66' = Total, = 256.74' - Ft,

W.O.B.	20	RPM	32	PSI	820	GPM	516	AV _{DP} /AV _{DC}
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	89		
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	87	Date of B.O.P. Test	
SLM:	Board		Talley		Correction		Hours on BHA	28

DAILY COSTS

DAILY COSTS	DAILY	CUMULATIVE
Road & Location (gravel)		
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Formation Testing		
Directional		
Water		
Mob/demob		
Communication		

Mud
Trucking-Mud
Trucking
Super.
Mud Logging
Geologist
Pason
Pump truck
Trailer
W/H equipment
Casing crew
Float equipment
Forklift
Total Cost

[illegible]

DETAILS:

Start	End	Hrs	
6:00	12:00	6.00	Drill F/ 167' T/ 294
12:00	13:00	1.00	Trouble Shoot MWD Tool
13:00	18:00	5.00	Drill F/ 294' T/ 483'
18:00	6:00	12.00	Drill F/ 483' T/ 883' jsa# ro-47

Total	24.00
-------	-------

Report by Jim Hogue

Date July 11, 2011

DAILY DRILLING REPORT

PRESENT OPERATION	Drilling	CUM. DAYS (FROM SPUD)	3
-------------------	----------	-----------------------	---

TIME BREAKDOWNS

WOC _____ WOC _____ BOP _____ MI&RU _____

BIT SUMMARY

SURVEYS: 1587'-inc,-11.3 -azm,-292.0 = 1619'-inc,-10.6-azm,-289.4 = 1682'-inc,-10.6-azm,-288.9

MUD PROPERTIES

Solids	1	%Sand	tr,	calcium, ppm	800	Chlorides	2000	Other
--------	---	-------	-----	--------------	-----	-----------	------	-------

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 1= Bit-1.5' = 1-8"-Mud Motor-29.25' = 1-8"-Shock Sub-9.86 = 1-UBHO-2.44 = 1-NMDC - 28.96 = 1-NMDC- 30.54 = 2-8"-dc- 60.53

$$1-xo \text{ sub, } -3.00 = 3-6 \frac{1}{4}'' \text{ dc} - 90.66' = \text{Total,} = 256.74 - \text{Ft,}$$

SLM:	Board	Talley	Correction	Hours on BHA	51.5
------	-------	--------	------------	--------------	------

DAILY COSTS

Mob/demob		

Forklift

DAILY	CUMULATIVE
-------	------------

[illegible]

DETAILS:

18:00	6:00	12:00	Drill & Slide F/1274' T/1715'
-------	------	-------	-------------------------------

Total	24.00
-------	-------

Report by Jim Hogue

Date July 12, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME	Patara Oil & Gas L L C, Middle Mesa Fed, 26-34			CONTRACTOR	Frontier Rig 4 #		
T.D. AT REPORT	1971' Formation Red Clay & Green Shale V/Hard			FOOTAGE	256	CUM. DRLG. HRS.	66.5
PRESENT OPERATION	Drilling					CUM. DAYS (FROM SPUD)	4

TIME BREAKDOWNS

Drilling	15	Trips	4.5	Surveys	.	Rig Repair	
PU tools		Circ	0.5	Rig service	0.5	NU BOP	
WOC		Dirc,	1	Ream	2.5	MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811		160'	11.5	3x18		13.9

SURVEYS: 1872'= Inc,- 11.8 - AZ,-190.8 1903'= Inc, - 11.5 - Az, - 292.2

MUD PROPERTIES

Mud Wt.	8.5	Vis	45	WL	12	Filtr Ck	3	/32 pH	10.50	Oil%		Water, %	98
PV	12	YP	9	Gels	8			Alkalinity, ppm	0.02		Salt		#/bbl
Solids	2	%Sand	2	calcium, ppm		800		Chlorides	3100		Other		

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 1= Bit-1.5' = 1-8"-Mud Motor-29.25' = 1-8"-Shock Sub-9.86 = 1-UBHO-2.44 = 1-NMDC - 28.96 = 1-NMDC- 30.54 = 2-8"-dc- 60.53'
1- xo sub, -3.00 = 3- 6 1/4" dc - 90.66' = Total, = 256.74 - Ft,

W.O.B.	28	RPM	32	PSI	1025	GPM	537	AV _{Dp} /AV _{DC}	
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	85			
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	85		Date of B.O.P. Test	
SLM:	Board		Talley		Correction			Hours on BHA	69

DAILY COSTS

	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop System		
Surface Rentals			Living, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Forklift		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	9:30	3.50	Drill F/1715 T/ 1811
9:30	10:00	0.50	Circulate & Condition Hole F/ Trip
10:00	12:30	2.50	Trip Ou Of Hole
12:30	13:30	1.00	Change Bit
13:30	15:30	2.00	Trip In Hole
15:30	18:00	2.50	Wash & Ream 6 Joints To Bottom, F/1625 T/ 1811
18:00	1:30	7.50	Drlg F/ 1811 T/ 1937
1:30	2:00	0.50	Rig Service
2:00	6:00	4.00	Drlg F/ 1937 T/ 1971

Total 24.00

Report by Jim Hogue Date July 13, 2011

DAILY DRILLING REPORT

CUM. DAYS (FROM SPUD)	5
-----------------------	---

TIME BREAKDOWNS

MI&RU

BIT SUMMARY

2	11"	Hughes	5020185	1811	603	35	3x18	17.2
---	-----	--------	---------	------	-----	----	------	------

SURVEYS: 2282'-inc,-12.1-az,-298.8=2314,-inc,-12.2-aaz,-298.4=2345'-inc,-12.3-az,-298.3

MUD PROPERTIES

Solids	3	%Sand	.2	calcium, ppm	120	Chlorides	1.8	Other
--------	---	-------	----	--------------	-----	-----------	-----	-------

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 1= Bit-1.5' = 1-8"-Mud Motor-29.25' = 1-8"-Shock Sub-9.86' = 1-UBHO-2.44' = 1-NMDC - 28.96' = 1-NMDC- 30.54' = 2-8"-dc- 60.53'

1- xo sub, -3.00 = 3- 6 1/4" dc - 90.66' = Total, = 256.74 - Ft.

SLM:	Board	Talley	Correction	Hours on BHA	90
------	-------	--------	------------	--------------	----

DAILY COSTS

Problem	
Communication	

Total Cost		
------------	--	--

DETAILS:

18:00 6:00 12:00 Drlg F/2252 T/2414

Total 24.00

Report by Jim Hoque

July 14, 2011

DAILY DRILLING REPORT

WELL NAME	Patara Oil & Gas L L C, Middle Mesa Fed, 26-34		CONTRACTOR	Frontier Rig 4 #	
T.D. AT REPORT	2500'	FOOTAGE	86'	CUM. DRLG. HRS.	101
PRESENT OPERATION	Rig Up B J Cementers Hold Safety Meeting			CUM. DAYS (FROM SPUD)	6

TIME BREAKDOWNS

Drilling	11	Trips	5	Surveys		Rig Repair	
PU tools		Circ	1.5	Rig service	0.5	NU BOP	
run csg,	6	Dir,		Ream		MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0

SURVEYS:

MUD PROPERTIES

Mud Wt.	8.7	Vis	45	WL	8	Filtr Ck	2	/32	pH	10.50	Oil%		Water, %	98
PV	14	YP	8	Gels	6				Alkalinity, ppm	0.3		Salt		#/bbl
Solids	2		%Sand	trace		calcium, ppm		120		Chlorides	2000	Other		
Mud mixed last 24 hrs.														

DRILLING ASSEMBLY

BHA $1 = \text{Bit}-1.5' = 1-8''\text{-Mud Motor}-29.25' = 1-8''\text{-Shock Sub}-9.86' = 1\text{-UBHO}-2.44' = 1\text{-NMDC} - 28.96' = 1\text{-NMDC}- 30.54' = 2-8''\text{-dc} - 60.53'$
 $1\text{- xo sub, } -3.00' = 3- 6 \frac{1}{4}'' \text{ dc} - 90.66' = \text{Total, } = 256.74' \text{ - Ft,}$

W.O.B.	25	RPM	32	PSI	1250	GPM	519	AV _{DP} /AV _{DC}
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	85		
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	85	Date of B.O.P. Test	
SLM:	Board		Talley		Correction		Hours on BHA	101

DAILY COSTS

DAILY COSTS	DAILY	CUMULATIVE
Road & Location (gravel)		
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Surface Rentals		
Directional		
Water		
Mob/demob		
Communication		

	DAILY	CUMULATIVE
Mud		
Trucking-Mud		
Trucking		
Super.		
Mud Logging		
Geologist		
Pason		
Closed Loop System		
Living, Qtrs,		
W/H equipment		
Casing crew		
Float equipment		
Forklift		
Total Cost		

DETAILS:

[illegible]

Report by Jim Hogue Date July 15, 2011

DAILY DRILLING REPORT

WELL NAME	Patara Oil & Gas L L C, Middle Mesa Fed, 26-34		CONTRACTOR	Frontier Rig 4 #	
T.D. AT REPORT	2500'	FOOTAGE	CUM. DRLG. HRS.	101	
PRESENT OPERATION	Test Bop & Choke Manifold All Safety Valves		CUM. DAYS (FROM SPUD)	7	

TIME BREAKDOWNS

Drilling	_____	Trips	_____	Surveys	_____	Rig Repair	_____
PU tools	_____	Circ	_____	Rig service	_____	NU BOP	_____
run csg,	_____	Dirc,	_____	Ream	_____	MI&RU	_____

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0

SURVEYS:

MUD PROPERTIES

Mud Wt.	Vis	WL	Filtr Ck	/32	pH	Oil%	Water, %	98
PV	YP	Gels			Alkalinity, ppm		Salt	#/bbl
Solids	%Sand		calcium, ppm			Chlorides	Other	
Mud mixed last 24 hrs.								

DRILLING ASSEMBLY

BHA _____

W.O.B.		RPM		PSI	GPM	AV _{DP} /AV _{DC}
Pump #1:	Liner	5 1/2	Stroke Length 10	SPM		
Pump #2:	Liner	5 1/2	Stroke Length 10	SPM	Date of B.O.P. Test	
SLM:	Board		Talley	Correction	Hours on BHA	

DAILY COSTS

DAILY COSTS	DAILY	CUMULATIVE
Road & Location (gravel)		
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Surface Rentals		
Directional		
Water		
Mob/demob		
Communication		

	DAILY	CUMULATIVE
Mud		
Trucking-Mud		
Trucking		
Super.		
Mud Logging		
Geologist		
Pason		
Closed Loop System		
Living, Qtrs,		
W/H equipment		
Casing crew		
Float equipment		
Forklift		
Total Cost		

DETAILS:

Start	End	Hrs	
6:00	11:30	5.50	Run Casing Rig Up BJ Hold Pre Job Safety Meeting Pump Cement
11:30	12:00	0.50	Run Casing & Rig Down BJ
12:00	14:30	2.50	Wait On Cement, Service Rig & Clean Cellar
14:30	16:30	2.00	Wood Group Cut Off Casing Weld On 8 5/8 sow x 11" 5000 # Casing Head
16:30	0:00	7.50	Nipple Up Bop & Rotating Head & Flow Line
0:00	6:00	6.00	Test Bop& All Safety Valves Choke Manifold

Total 24.00

Report by Jim Hogue

Date July 16, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME	Patara Oil & Gas L L C, Middle Mesa Fed, 26-34			CONTRACTOR	Frontier Rig 4 #		
T.D. AT REPORT	2505'			FOOTAGE	5'		
PRESENT OPERATION	Condition Mud & Clean Pit Switch T/ Formate Mud				CUM. DRLG. HRS.	103	
					CUM. DAYS (FROM SPUD)	8	

TIME BREAKDOWNS							
Drilling	2	Trips	7	Surveys		Rig Repair	4
PU tools	2	Circ	4.5	Rig service	0.5	NU BOP	3
run csg,		Dirc,		Ream		MI&RU	1

BIT SUMMARY											
Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500		5	2	6x16s		2.5

SURVEYS:											
MUD PROPERTIES											
Mud Wt.		Vis		WL		Filtr Ck		/32 pH		Oil%	
PV		YP		Gels				Alkalinity, ppm		Salt	
Solids		%Sand		calcium, ppm				Chlorides		Other	
Mud mixed last 24 hrs.											

DRILLING ASSEMBLY											
BHA	1-bit-1.00 = 1-1.5-bend motor-26.27'= 1-6"-ubho-3.04'= 1-6"-nmdc-29.19' = 1-6"-nmdc-29.31' = 6-6"-dc,-184.85'= 24-4 1/2 spiral hwdp-734.07'										
Total=1007.73'											

W.O.B.	7	RPM	30	PSI	957	GPM		AV _{DP} /AV _{DC}	
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	115			
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM		Date of B.O.P. Test		
SLM:	Board		Talley		Correction		Hours on BHA	5	

DAILY COSTS		DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)				Mud		
Rig Cost				Trucking-Mud		
Fuel				Trucking		
Casing (Surface)				Super.		
Cementing				Mud Logging		
Bits				Geologist		
Downhole Rental				Pason		
Directional Equipment				Closed Loop System		
Surface Rentals				Living, Qtrs,		
Directional				W/H equipment		
Water				Casing crew		
Mob/demob				Float equipment		
Communication				Welder Test Bop		
				Total Cost		

DETAILS:			
Start	End	Hrs	
6:00	9:00	3.00	test bop upper kelly daart pipe & blind rams,choke &kill lines manifold valves annular 10-min,250# low 10-min, high 3000# high test casing t/1000# f/30 min, blm, jeff brown verified okay
9:00	12:00	3.00	instal, wear ring, pick up bha &dirc, tools
12:00	16:00	4.00	repair rig change out kelly spinner & clean out plugged flow line
16:00	18:00	2.00	test nmhc tools
18:00	22:00	4.00	trip in hole
22:00	23:00	1.00	instal rotating head
23:00	23:30	0.50	tag cement @ 2480' & drill out shoe
23:30	0:00	0.50	service rig
0:00	1:30	1.50	drill actual, f/2500 t/2505
1:30	6:00	4.50	mix mud circ & condit, displace water out with mud
Total 24.00			

Report by	Jim Hogue	Date	July 17, 2011
-----------	-----------	------	---------------

DAILY DRILLING REPORT

9

TIME BREAKDOWNS

MI&RU

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500		1034'	21	6x16s		1013'

SURVEYS: 3389'-inc,-9.0- az,-294.7 = 3421'- inc,- 8.8 - az,- 293.8 = 3453'- inc, - 8.8- az,-296.8

MUD PROPERTIES

Mud Wt.	8.9	Vis	38	WL	10	Filtr Ck	1	/32 pH	9.00	Oil%		Water, %	97
PV	10	YP	9	Gels	12			Alkalinity, ppm	0.3		Salt		#/bbl
Solids	3		%Sand	tr		calcium, ppm	400		Chlorides	1800	Other		

Mud mixed last 24 hrs.

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

Total=1007.73'

24

DAILY COSTS

[illegible]

DETAILS:

Start	End	Hrs	
6:00	10:30	4.50	clean mud tanks, mix mud circ, & displace water out of hole
10:30	15:30	5.00	drill actual f/2505 t/ 2776' & sliding
15:30	16:00	0.50	rig service
16:00	18:00	2.00	drill actual f/2776 t/ 2902' & sliding
18:00	6:00	12.00	drill actual f/ 2902 t/3534' & sliding

Total 24.00

July 18, 2011

DAILY DRILLING REPORT

WELL NAME	Pataro Oil & Gas L L C, Middle Mesa Fed, 26-34		CONTRACTOR	Frontier Rig 4 #	
T.D. AT REPORT	4587'	FOOTAGE	1053'	CUM. DRLG. HRS.	145
PRESENT OPERATION	Drilling & sliding			CUM. DAYS (FROM SPUD)	10
Form, Honake Trail	F/ 4465 T/ 4475' = 94 units gas				

TIME BREAKDOWNS

Drilling	23	Trips		Surveys		Rig Repair	
PU tools		Circ		Rig service	1	NU BOP	
run csg,		Dir,		Ream		MI&RU	

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500		2087	44	6x16s		47.4

SURVEYS: 4474'-inc,-1.0-az,-226.0 = 4506'-inc,-.9-az,-226.1 = 4538'-inc,-1.5-az,-219.5

MUD PROPERTIES

Mud Wt.	9.1	Vis	40	WL	5	Filtr Ck	2	/32	pH	9.70	Oil%		Water, %	96
PV	14	YP	18	Gels	6				Alkalinity, ppm	0.3		Salt		#/bbl
Solids	4		%Sand	tr		calcium, ppm			Chlorides	30,000		Other		
Mud mixed last 24 hrs.														

DRILLING ASSEMBLY

BHA 1-bit-1.00 = 1-1.5-bend motor-26.27' = 1-6"-ubho-3.04' = 1-6"-nmddc-29.19' = 1-6"-nmddc-29.31' = 6-6"-dc,-184.85' = 24-4 1/2 spiral hwdp-734.07'
Total=1007.73'

W.O.B.	15	RPM	30	PSI	1111	GPM	487	AV _{DP} /AV _{DC}
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	80		
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	80	Date of B.O.P. Test	
SLM:	Board		Talley		Correction		Hours on BHA	47

DAILY COSTS

DAILY COSTS	DAILY	CUMULATIVE
Road & Location (gravel)		
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Surface Rentals		
Directional		
Water		
Mob/demob		
Communication		

	DAILY	CUMULATIVE
Mud		
Trucking-Mud		
Trucking		
Super.		
Mud Logging		
Geologist		
Pason		
Closed Loop System		
Living, Qtrs,		
W/H equipment		
Casing crew		
Float equipment		
Welder Test Bop		
Total Cost		

DETAILS:

Start	End	Hrs	
6:00	12:00	6.00	Drilling & sliding f/ 3534' t/ 3851'
12:00	12:30	0.50	rig service
12:30	18:00	5.50	Drilling & sliding f/ 3851 t/ 4041'
18:00	5:30	11.50	Drilling & slideing F/4041' T/4587'
5:30	6:00	0.50	rig service

Total	24.00
--------------	--------------

Report by Jim Hogue

Date July 19, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME

Patara Oil & Gas L L C, Middle Mesa Fed, 26-34

CONTRACTOR

Frontier Rig 4 #

T.D. AT REPORT

5440'

FOOTAGE

853

CUM. DRLG. HRS.

168

PRESENT OPERATION

Drilling & sliding

CUM. DAYS (FROM SPUD)

11

TIME BREAKDOWNS

Drilling

23

Trips

Surveys

Rig Repair

PU tools

Circ

Rig service

1

NU BOP

run csg,

Dir,

Ream

MI&RU

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500		2940	67	6x16s		44.9

SURVEYS: 5296'-inc,-1.1-az,-193.0 = 5328'-inc,-.5-az,-167.0 = 5360'- inc-.7 - az,-77.1

MUD PROPERTIES

Mud Wt.

9.3

Vis

40

WL

5.5

Filtr Ck

1

/32 pH

8.50

Oil%

Water, %

96

PV

12

YP

21

Gels

6

Alkalinity, ppm

0.15

Salt

#/bbl

Solids

4

%Sand

tr

calcium, ppm

Chlorides

25,000

Other

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA 1-bit-1.00 = 1-1.5-bend motor-26.27'= 1-6"-ubho-3.04'= 1-6"-nmdc-29.19' = 1-6"-nmdc-29.31' = 6-6"-dc,-184.85'= 24-4 1/2 spiral hwdp-734.07'

Total=1007.73'

W.O.B.

14

RPM

35

PSI

1420

GPM

487

AV_{DP}/AV_{DC}

Pump #1:

Liner

5 1/2

Stroke Length

10

SPM

80

Pump #2:

Liner

5 1/2

Stroke Length

10

SPM

80

Date of B.O.P. Test

SLM:

Board

Talley

Correction

Hours on BHA

70

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			Mud Logging		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop System		
Surface Rentals			Living, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welder Test Bop		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	15:15	9.25	Drill & slide f/ 4587 t/4997
15:15	15:45	0.50	service rig
15:45	18:00	2.25	drill & slide f/ 4997 t/5061
18:00	5:30	11.50	drill & slide f/5061 t/5440
5:30	6:00	0.50	service rig change out shaker screens

safety meetings are held @ each crew change

Total 24.00

Report by Jim Hogue Date July 20, 2011

DAILY DRILLING REPORT

CUM. DAYS (FROM SPUD) 12

TIME BREAKDOWNS

MI&RU

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNQ252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500	6120	3620	88	6x16s		41.1

SURVEYS: 59933'-inc,-2.1-az,-223.3=6025'-inc,-2.9-az,-220.5=6071'-inc,-3.6-az,-215.8

MUD PROPERTIES

Mud Wt.	8.8	Vis	40	WL	6	Filtr Ck	1	/32 pH	9.30	Oil%		Water, %	97
PV	13	YP	15	Gels	7			Alkalinity, ppm	0.15		Salt		#/bbl
Solids	3		%Sand	tr		calcium, ppm		Chlorides	30,000		Other		

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

Total=1007.73'

W.O.B.	18	RPM	35	PSI	1420	GPM	487	AV _{DP} /AV _{DC}
Pump #1:	Liner	5 1/2	Stroke Length	10	SPM	80		
Pump #2:	Liner	5 1/2	Stroke Length	10	SPM	80	Date of B.O.P. Test	
SLM:	Board		Talley		Correction		Hours on BHA	91

DAILY COSTS

DAILY COSTS	DAILY	CUMULATIVE
Road & Location (gravel)		
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Surface Rentals		
Directional		
Water		
Mob/demob		
Communication		

DAILY COSTS	DAILY	CUMULATIVE		DAILY	CUMULATIVE
Road & Location (gravel)			Mud		
Rig Cost			Trucking-Mud disposal		
Fuel			Trucking		
Casing (Surface)			Super.		
Cementing			misc. supplies		
Bits			Geologist		
Downhole Rental			Pason		
Directional Equipment			Closed Loop System		
Surface Rentals			Living, Qtrs,		
Directional			W/H equipment		
Water			Casing crew		
Mob/demob			Float equipment		
Communication			Welder Test Bop		
			Total Cost		

DETAILS:

Start	End	Hrs	
6:00	16:00	10.00	drill & slide f/ 5440' t/ 5820'
16:00	16:30	0.50	rig service
16:30	18:00	1.50	drill & slide f/ 5820 t/ 5852'
18:00	1:00	7.00	drill & slide f/5852 t/ 6042'
1:00	1:30	0.50	circulate bottoms up
1:30	4:00	2.50	short trip 25 stands trip in t/ 6042' no drag or overpull
4:00	6:00	2.00	drill & slide f/6042' t/ 6120' geoglist called td

Total 24.00

Report by Jim Hogue

Date July 21, 2011

PLANTSERVICES
DAILY DRILLING REPORT

WELL NAME

Patara Oil & Gas L L C, Middle Mesa Fed, 26-34

CONTRACTOR

Frontier Rig 4 #

T.D. AT REPORT

6120'

FOOTAGE

CUM. DRLG. HRS.

189

PRESENT OPERATION

rig down weatherford wireline unit

CUM. DAYS (FROM SPUD)

13

TIME BREAKDOWNS

Drilling

Trips

5

Surveys

Rig Repair

PU tools

Circ

1

Rig service

NU BOP

run csg,

Dirc,

run logs

18

MI&RU

BIT SUMMARY

Bit No.	Size	Make	Type	Serial No.	Depth In	Depth Out	Footage Drilled	Rotating Hours	Nozzle Size	Condition T B G	Ft/Hr
1	11"	Smith	F20 V	PNO252	60	1811'	1751'	55	3x18		31.8
2	11"	Hughes		5020185	1811	2500	689	46	3x18		15.0
3	7 7/8	pdc	fx64d	11525563	2500	6120	3620	88	6x16s		41.1

SURVEYS:

MUD PROPERTIES

Mud Wt.

8.9

Vis

41

WL

6

Filtr Ck

1

/32 pH

9.30

Oil%

Water, %

97

PV

13

YP

15

Gels

7

Alkalinity, ppm

0.15

Salt

#/bbl

Solids

3

%Sand

tr

calcium, ppm

Chlorides

27,000

Other

Mud mixed last 24 hrs.

DRILLING ASSEMBLY

BHA

W.O.B.

RPM

35

PSI

1420

GPM

487

AV_{Dp}/AV_{DC}

Pump #1:

Liner

5 1/2

Stroke Length

10

SPM

80

Date of B.O.P. Test

Pump #2:

Liner

5 1/2

Stroke Length

10

SPM

80

Hours on BHA

91

SLM:

Board

Talley

Correction

DAILY COSTS

	DAILY	CUMULATIVE
Road & Location (gravel)		\$ -
Rig Cost		
Fuel		
Casing (Surface)		
Cementing		
Bits		
Downhole Rental		
Directional Equipment		
Surface Rentals		
Logging		
Water		
Mob/demob		
Communication		

Mud		
Trucking-Mud disposal		
Trucking		
Super.		
misc, supplies		
Geologist		
Pason		
Closed Loop System		
Living, Qtrs,		
W/H equipment		
Casing crew		
Float equipment		
Welder Test Bop		
Total Cost		

DETAILS:

Start	End	Hrs	
6:00	7:00	1.00	circulate & condition hole f/logs
7:00	9:30	2.50	trip out of hole & strap out
9:30	12:00	2.50	lay down directional tools break off bit
12:00	18:00	6.00	rig up weatherford run sonic logs
18:00	5:30	11.50	run wireline production log
5:30	6:00	0.50	rig down wireline unit

Total 24.00

Report by Jim Hogue

Date July 22, 2011

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU76053
2. NAME OF OPERATOR: Patara Oil & Gas LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011FSL 789FEL		8. WELL NAME and NUMBER: Middle Mesa Fed 26-34-29-24
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 26 29S 24E S		9. API NUMBER: 4303731904
COUNTY: San Juan		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 7/29/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Production equipment placement</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas LLC (Patara) intends to begin completion operations on the subject well, and will begin construction on the wellpad surface to prepare for production. Please see attached diagram for wellpad and pipeline layout.

To be located onsite:

1 - 400bbl water tank.

2 - 400bbl oil tanks with tank heaters.

These tanks will be contained within a secondary containment berm measuring 70' x 40' x 1.5', and will be large enough to contain spill volumes as mandated in the APD.

Also to be located onsite:

1 meter run with electronic flow meter and SCADA communication equipment.

1 - 1,000 BTU/hr gas production unit.

GPU will be contained within a secondary containment berm measuring 35' x 25' x 10", and will be large enough to sufficiently contain unexpected spill volumes.

Unused areas of the well pad will be reclaimed as prescribed in the APD and COAs. Patara will install a pipeline leading from the wellsite to tie-in with the unit gas gathering system. Thank you.

NAME (PLEASE PRINT) <u>Christopher A. Noonan</u>	TITLE <u>Production Technician</u>
SIGNATURE 	DATE <u>7/26/2011</u>

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

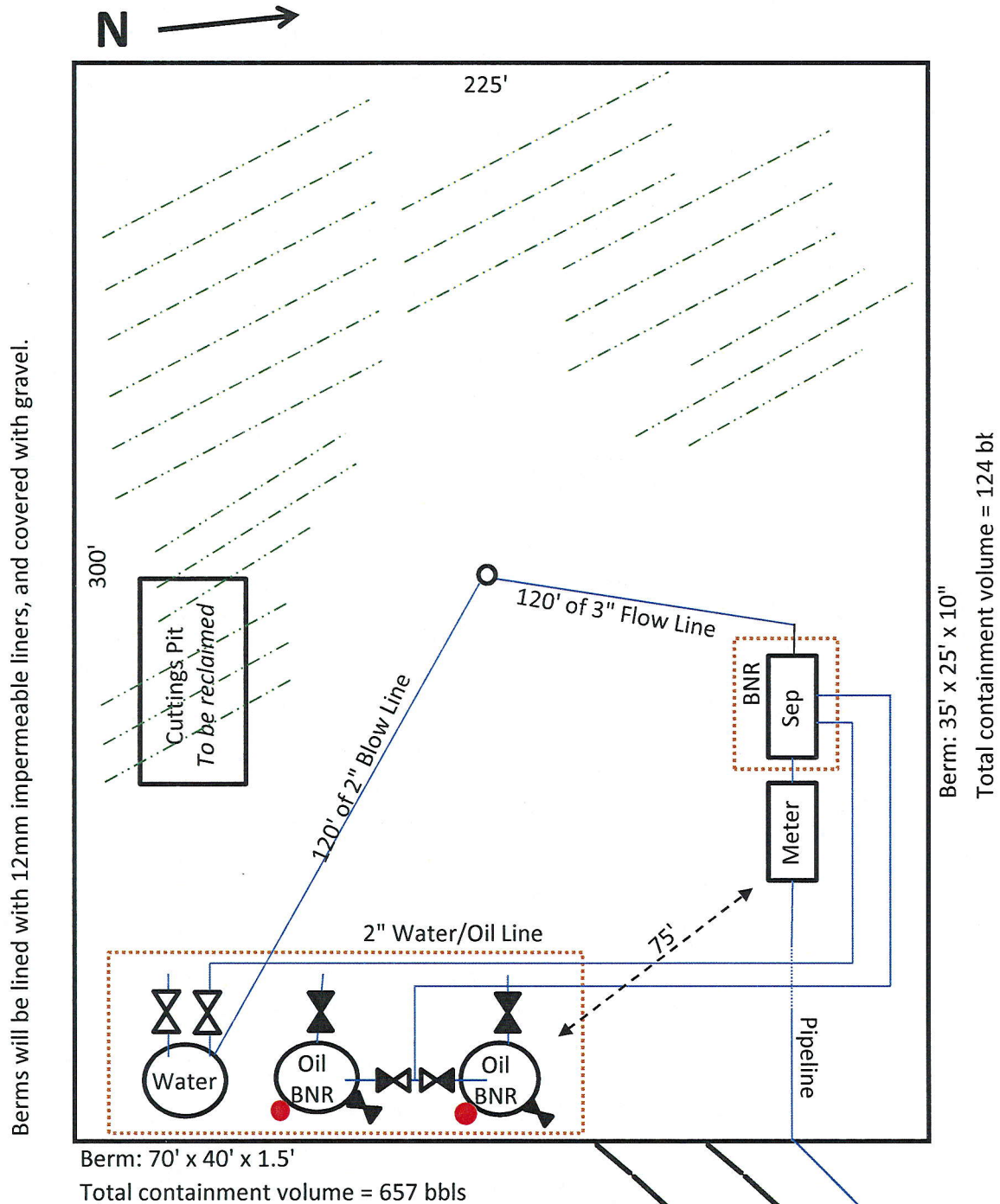
(5/2000)

(See Instructions on Reverse Side)

RECEIVED**AUG 01 2011****DIV. OF OIL, GAS & MINING**

CONFIDENTIAL

Patara Oil & Gas LLC
Middle Mesa Fed 26-34-29-24
As-built Wellsite Layout



Legend

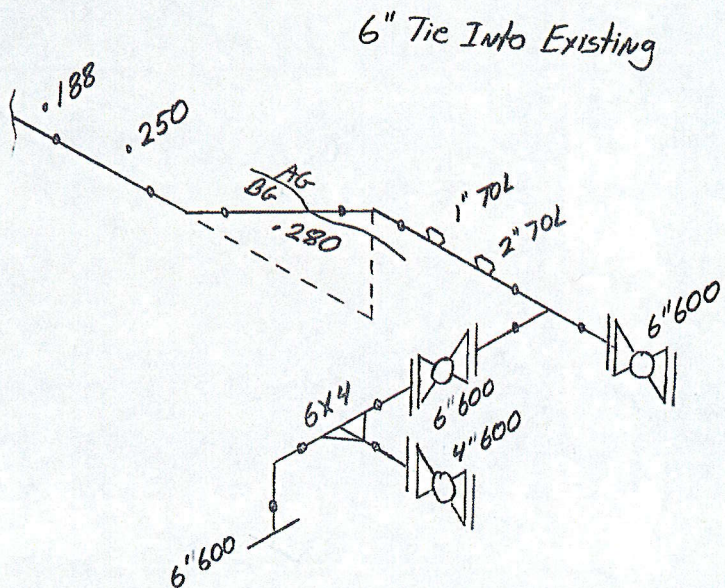
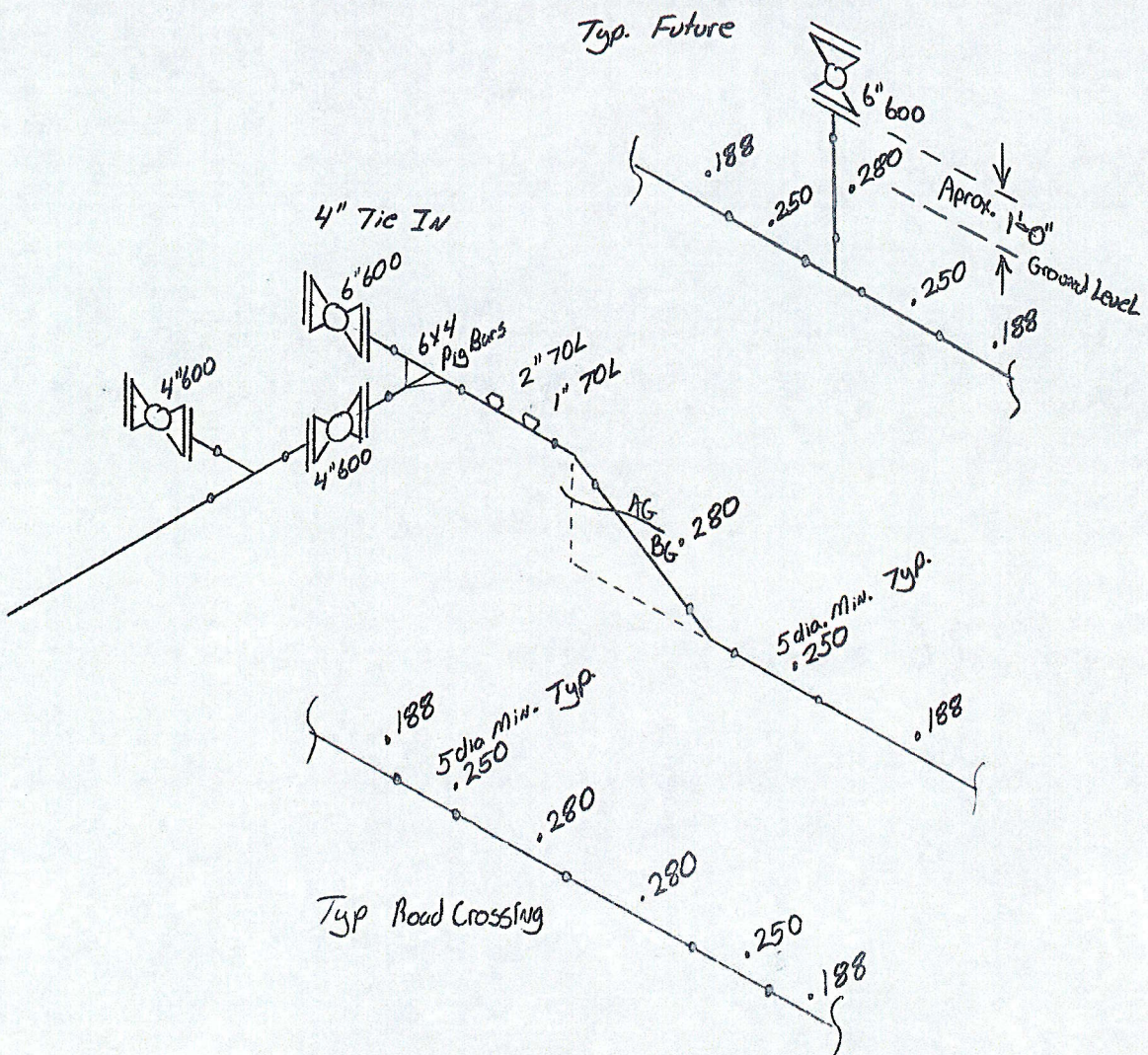
- | | | | |
|--|-------------------------|--|----------------------|
| | Non Sealed Valve | | Area to be reclaimed |
| | Sealed Valve | | Berm outline |
| | Sealed During Oil Sales | | Tank Heaters |

RECEIVED

AUG 01 2011

DIV. OF OIL, GAS & MINING

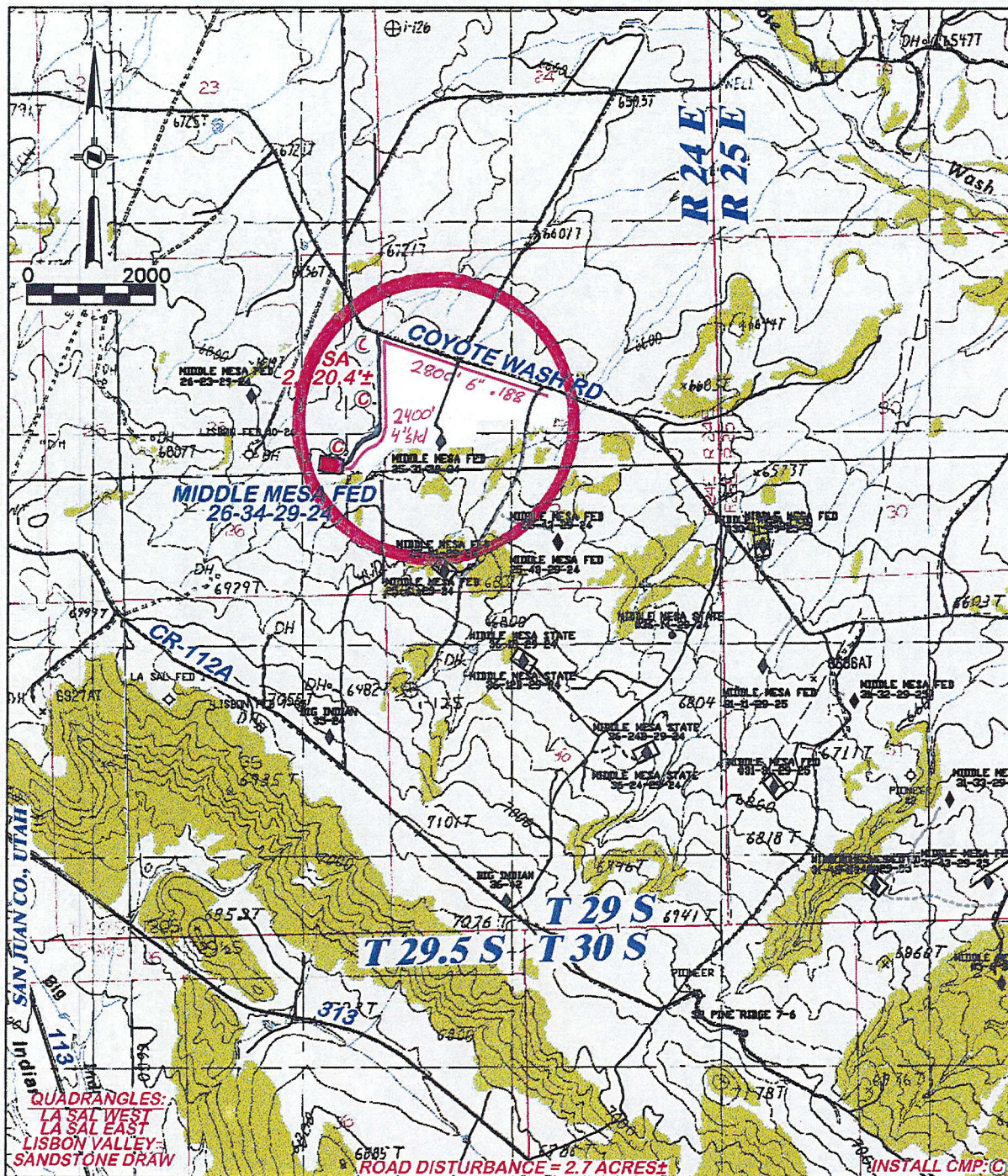
SECRET



RECEIVED

AUG 01 2011

DIV. OF OIL, GAS & MINING



DRG RIFFIN & ASSOCIATES, INC. (307) 382-5028 1414 ELK ST., ROCK SPRINGS, WY 82901		PROPOSED ACCESS ROAD FOR PATARA OIL & GAS, LLC. MIDDLE MESA FED 26-34-29-24	
DRAWN: 11/10/08 REVISD: 4/11/11 - EAP REVISD COMPANY NAME		TOTAL PROPOSED LENGTH: 2320.4' EXISTING ROAD ————— PROPOSED ROAD - - - - -	
SCALE: 1" = 2000' DRG JOB No. 15801 EXHIBIT 4		TOPO MAP B	

RECEIVED

AUG 08 2011

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU76053
2. NAME OF OPERATOR: Patara Oil & Gas LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011FSL 789FEL		8. WELL NAME and NUMBER: Middle Mesa Fed 26-34-29-24
5. PHONE NUMBER: (303) 825-0685		9. API NUMBER: 4303731904
6. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 26 29S 24E S		10. FIELD AND POOL, OR WILDCAT: Wildcat
7. COUNTY: San Juan		8. STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 8/3/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Completion
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	Operations

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas LLC (Patara) intends to begin completion operations on the subject well, and proposes the following procedures:

Perforate the La Sal Sandstone

5,829 - 5,847' - 2spf & 5,854 - 5,861' - 2spf

Fracture stimulate well with 63,500lbs N2 foam with 20/40 proppant, 50 bio-balls. Install frac plug at 5,400'.

Perforate the Honaker Trail 1 Sandstone

5,291 - 5,296' - 4spf & 5,304 - 5,308' - 4spf & 5,343 - 5,352' - 4spf

Fracture stimulate well with 45,000lbs CO2 foam with 20/40 proppant, 66 bio-balls. Install frac plug at 5,120'.

Perforate the Honaker Trail 2 Sand

5,020 - 5,057' - 2spf


Fracture stimulate well with 92,500lbs N2 foam with 20/40 proppant, 74 bio-balls. Drill out frac plugs and finalize with following perforation.

Perforate the Honaker Trail 3 Sandstone

4,756 - 4,774' - 4spf & 4,786 - 4,810' - 4spf

No fracture stimulation required.

Upon successful completion of the above operations and pipeline construction, Patara will turn the well to sales. Please contact the undersigned with any questions or concerns regarding the proposed completion procedures. Thank you.

NAME (PLEASE PRINT) Christopher A. Noonan TITLE Production Technician
SIGNATURE  DATE 8/1/2011

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining
8/8/2011

Federal Approval Of This
Action Is Necessary

COPY SENT TO OPERATOR

Date: AUG 11 2011

Initials: KS

**MIDDLE MESA 26-34-29-24
NE SE Section 26-T29N-R24E
San Juan County, Utah
API 43-037-31904**

Perforation and Fracture Stimulation Recommendation

La Sal Sandstone

Perforate 2 spf:

5829 – 5847'	18'	36 holes
5854 – 5861'	<u>7'</u>	<u>14</u> holes
	25'	50

Recommend 70Q N2 foam frac using 2500#/ft 20/40 proppant (62,500#).
Want to pump 50 bio-balls w/ foam to break down perms prior to pad.
All water to be used will be 6% KCL.
SD 1 hr if necessary if complete ball off.
Tag Pad & 1 ppg, 2 ppg, 3&4 ppg stages w/ 3 isotopes.
Flush w/ N2 foam

Operator will install frac plug @ 5400'.

Honaker Trail 1 Sandstone

Perforate 4 spf:

5291 – 5296'	5'	20 holes
5304 – 5308'	4'	16 holes
5343 – 5352'	<u>9'</u>	<u>36</u> holes
	18	66

Recommend 70Q CO2 foam frac using 2500#/ft 20/40 proppant (45,000#).
Want to pump 66 bio-balls w/ foam to break down perms prior to pad.
All water to be used will be 6% KCL.
SD 1 hr if necessary if complete ball off.
Tag Pad & 1 ppg, 2 ppg, 3&4 ppg stages w/ 3 isotopes.
Flush w/ CO2 foam

Operator will install frac plug @ 5120'.

Honaker Trail 2 Sand

Perforate 2 spf:

5020 – 5057'	37'	74 holes
--------------	-----	----------

Recommend 70Q N2 foam frac using 2500#/ft 20/40 proppant (92,500#).
Want to pump 74 bio-balls w/ foam to break down perms prior to pad.
All water to be used will be 6% KCL.
SD 1 hr if necessary if complete ball off.
Tag Pad & 1 ppg, 2 ppg, 3&4 ppg stages w/ 3 isotopes.
Flush w/ N2 foam

Following drill out of frac plugs:

Honaker Trail 3 Sandstone (No fracture stimulation required)

Perforate 4 spf:

4756 – 4774'	18'	72 holes
4786 – 4810'	<u>24'</u>	<u>96</u>
	42'	168

MIDDLE MESA 26-34-29-24
NE SE Section 26-T29N-R24E
San Juan County, Utah
API 43-037-31904
Recommended Completion Procedure

Well Status:

TD reached: 7/21/11
TD: 6120'
PBSD: 6080'

Elevation: KB: 6829'
GL: 6813'

Casing:

8 5/8" surface casing set at 2485' and cemented to surface.

4 1/2" N-80 11.6 #/ft LT&C production casing set at 6120'. Cement circulated up into surface pipe.
TOC to be determined w/ CBL.

- Internal yield pressure = 7780 psi Collapse = 6350 psi
- Capacity = 0.0155 bbl/ft ID = 3.875"

Tubing:

To be brought from Bourland & Leverich (Chad Grimes 970-324-0454)
6300' 2 3/8" J-55 4.7 #/ft 8rd EUE – price \$4.17/ft.

- Capacity = 0.00387 bbl/ft
- Yield = 11,200 psi

Tubing Head:

FMC 10K 4 1/16" tbh head w/ blind flange on top. Tested to 5000 psi.
2 – 2 1/16" 10K ball valves.

Recommended Completion Procedure

1. Fill cellar and rat / mouse holes. Blade location. Hole is full of treated water. Weatherford had run the open hole logs and they should bring a copy to correlate w/ the CBL. Order 2 1/16" 5K tree from FMC in Farmington.
2. RU rig pump, Weatherford mast truck, lubricator and electric line truck. RIH w/ CBL and run log from PBSD to TOC. Pressure up on casing to 2000 psi and make second pass from PBSD to 4000'. Bleed off pressure and RD pump and Weatherford equipment. Keep one copy of the CBL on site.
3. RU Monument workover rig and equipment. NU BOPE and unload new 2 3/8" tubing onto racks. MU 4 1/2" csg scraper and TIH on tbh to PBSD.
4. RU N2 unit and unload fluid from hole. TOOH w/ tbh and LD csg scraper.
5. RU Lone Wolf Wireline. RU lubricator and pressure up on well to 1000 psi w/ N2. RIH w/ hollow carrier casing guns and perforate the La Sal Sandstone 2 spf w/ 120 degree phasing:

5829 – 5847'	18'	36 holes
5854 – 5861'	7'	14 holes
	25'	50

Record any pressure increase. RD Lone Wolf Wireline.

6. MU SN, 4' pup jt, 4 ½" retrievable packer and TIH. Set packer at 5790' +/- (adjust for csg collar location). Swab down well. Record any flow rate.
7. RU Phoenix Wireline and RIH w/ BHP recorders. Take gradients every 1000'. Shut in well for a 72 hr buildup.
8. RD rig and equipment and move to other operation while waiting on buildup period.
9. Remove BHP recorders taking gradients every 500' to FL then every 1000'. Send data to Denver office.
10. RU Monument workover rig and equipment. Kill well if necessary using 6% KCL water. TOOHL tubing. ND BOPE and NU frac head.
11. Set frac tanks and fill w/ 6% KCL water as designated by the Baker Hughes frac recommendation. Set BJ's sandmaster and fill with 20/40 brown sand for all three stages of the upcoming job.
12. RU Baker Hughes frac equipment, ProTechnics isotopes and Lone Wolf Wireline. Lone Wolf Wireline should have perforating guns and 4 ½" frac plugs for the next two stages. Middle stage will be using CO2 so caution type material frac plug is constructed of.
13. RU N2 trucks for stage 1 frac on the La Sal Sandstone. Breakdown formation using 70Q N2 foam w/ 50 bio-balls. May have to SD after ball off until balls dissolve. ProTechnics is to tag the pad & 1 ppg, 2 ppg and the 3&4 ppg stages with three isotopes. Flush to perfs with N2 foam.
14. RIH w/ frac plug and set at 5400' +/- (adjust for csg collars). RIH w/ hollow carrier csg guns and perforate the Honaker Trail 1 Sandstone 4 spf at 90 degree phasing:

5291 – 5296'	5'	20 holes
5304 – 5308'	4'	16 holes
5343 – 5352'	<u>9'</u>	<u>36</u> holes
	18	66

15. Switch out N2 trucks w/ CO2 transports. Breakdown formation using 70Q CO2 foam w/ 66 bio-balls. May have to SD after ball off until balls dissolve. ProTechnics is to tag the pad & 1 ppg, 2 ppg and the 3&4 ppg stages with three isotopes. Flush to perfs with CO2 foam.
16. RIH w/ frac plug and set at 5120' +/- (adjust for csg collars). RIH w/ hollow carrier csg guns and perforate the Honaker Trail 2 Sandstone 2 spf w/ 120 degree phasing:

5020 – 5057'	37'	74 holes
--------------	-----	----------

17. RU N2 trucks. Breakdown formation using 70Q N2 foam w/ 74 bio-balls. May have to SD after ball off until balls dissolve. ProTechnics is to tag the pad & 1 ppg, 2 ppg and the 3&4 ppg stages with three isotopes. Flush to perfs with N2 foam.

18. Obtain ISIP, 5 min, 10 min and 15 minute pressure reading. SI well for minimum 12 hrs for zones to close. RD Lone Wolf Wireline, ProTechnics and Baker Hughes frac equipment.

19. RU flow testers. Open well to clean up frac load. Record hourly readings of volumes and rates.

20. When load is cleaned up. RU Lone Wolf Wireline and Monument workover rig. RIH w/ gauge ring to 4830' to be sure no restrictions. RIH w/ hollow carrier csg guns to perforate the Honaker Trail 3 Sandstone 4 spf with 90 degree phasing:

4756 – 4774'	18'	72 holes
4786 – 4810'	<u>24'</u>	<u>96</u>
	42'	168

21. Set kill plug on wireline at 4730' if necessary to get into hole. MU bit w/ pump-off mandrel, SN and TIH with 2 3/8" tbg. Drill out kill plug and frac plugs. Clean to btm. Pump off bit. Swab in well and allow to kick off. Set plug in tbg and POOH to 4700' LD singles.

22. ND BOPE, NU tree and remove plug from tubing. Swab well in if necessary. RD rig and equipment.

23. Flow test well until making less than 2 BPH of fluid and light sand.

24. Install a sand trap and turn well to sales w/ flow testers watching for first night.

25. Return to well after a few weeks to run Scanalog and Production Log.

26. RU rig and lower tubing to 5260'. Return well to sales.

27.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8

(highlight changes)

LEASE DESIGNATION AND SERIAL NUMBER:

UTU82680X

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL:		OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/>	DRY <input type="checkbox"/>	OTHER <input type="checkbox"/>	7. UNIT or CA AGREEMENT NAME Middle Mesa	
b. TYPE OF WORK:		NEW WELL <input checked="" type="checkbox"/>	HORIZ. LATS. <input type="checkbox"/>	DEEP-EN <input type="checkbox"/>	RE-ENTRY <input type="checkbox"/>	DIFF. RESVR. <input type="checkbox"/>	OTHER <input type="checkbox"/>
2. NAME OF OPERATOR: Patara Oil & Gas LLC						8. WELL NAME and NUMBER: Middle Mesa Fed 26-34-29-24	
3. ADDRESS OF OPERATOR: 600 17th St., Ste 1900S CITY Denver STATE CO ZIP 80202				PHONE NUMBER: (303) 825-0685		9. API NUMBER: 4303731904	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2011 FSL 789 FEL Sec. 26 T29S R24E SL AT TOP PRODUCING INTERVAL REPORTED BELOW: 2268FSL 1359 FEL Sec. 26 T29S R24E SL AT TOTAL DEPTH: 2245 FSL 1356 FEL Sec. 26 T29S R24E SL						10. FIELD AND POOL, OR WILDCAT Middle Mesa	
						11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 26 29S 24E S	
						12. COUNTY	13. STATE UTAH
14. DATE SPURRED: 7/9/2011		15. DATE T.D. REACHED: 7/23/2011		16. DATE COMPLETED: 8/13/2011		17. ELEVATIONS (DF, RKB, RT, GL): 6813 GL	
18. TOTAL DEPTH: MD 6,120 TVD 6,062		19. PLUG BACK T.D.: MD 6,078 TVD 6,020		20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD	
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) Logs will be sent via UPS to the DOGM.						23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> (Submit copy)	

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20	16	Cond	0	60		Redi 50		0 - CIR	
11	8.625 J-55	32	0	2,480		G 750		0 - CIR	
7.875	4.5 N-80	11.6	0	6,082		G 492		2230 - CIR	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.375	4,920							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Honaker Trail	4,759	5,352			5,020 5,057	.34	74	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) La-Sal	5,829	5,861			5,291 5,296	.34	20	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C)					5,304 5,308	.34	16	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D)					5,343 5,352	.34	36	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5,020 - 5,057	70Q N2 FOAM, 92,500LBS 24/40 PROPPANT WITH 74 BIO-BALLS, 6% KCL.
5,291 - 5,352	70Q N2 FOAM, 45,000LBS 24/40 PROPPANT WITH 66 BIO-BALLS, 6% KCL.
5,829 - 5,861	70Q N2 FOAM, 62,500LBS 24/40 PROPPANT WITH 50 BIO-BALLS, 6% KCL.

29. ENCLOSED ATTACHMENTS:

- ☒ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☒ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

30. WELL STATUS:

Producing

RECEIVED

SEP 30 2011

(CONTINUED ON BACK)

DIV. OF OIL, GAS & MINING

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 8/18/2011	TEST DATE: 8/15/2011	HOURS TESTED: 24	TEST PRODUCTION RATES: →	OIL – BBL: 10	GAS – MCF: 3,500	WATER – BBL: 0	PROD. METHOD: Flow
CHOKE SIZE: 32/64	TBG. PRESS.	CSG. PRESS. 850	API GRAVITY	BTU – GAS	GAS/OIL RATIO 350,000	24 HR PRODUCTION RATES: →	INTERVAL STATUS: Flow

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Honaker Trail	4,293	5,484		Honaker Trail	4,293
La Sal	5,484	5,891		La Sal	5,484
Hatch	5,891			Hatch	5,891

35. ADDITIONAL REMARKS (Include plugging procedure)

Remaining perms: 5829–5847' w/ 36 holes & 5854–5861' w/ 14 holes.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Christopher A. Noonan

TITLE Production Technician

SIGNATURE

DATE 9/23/2011

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

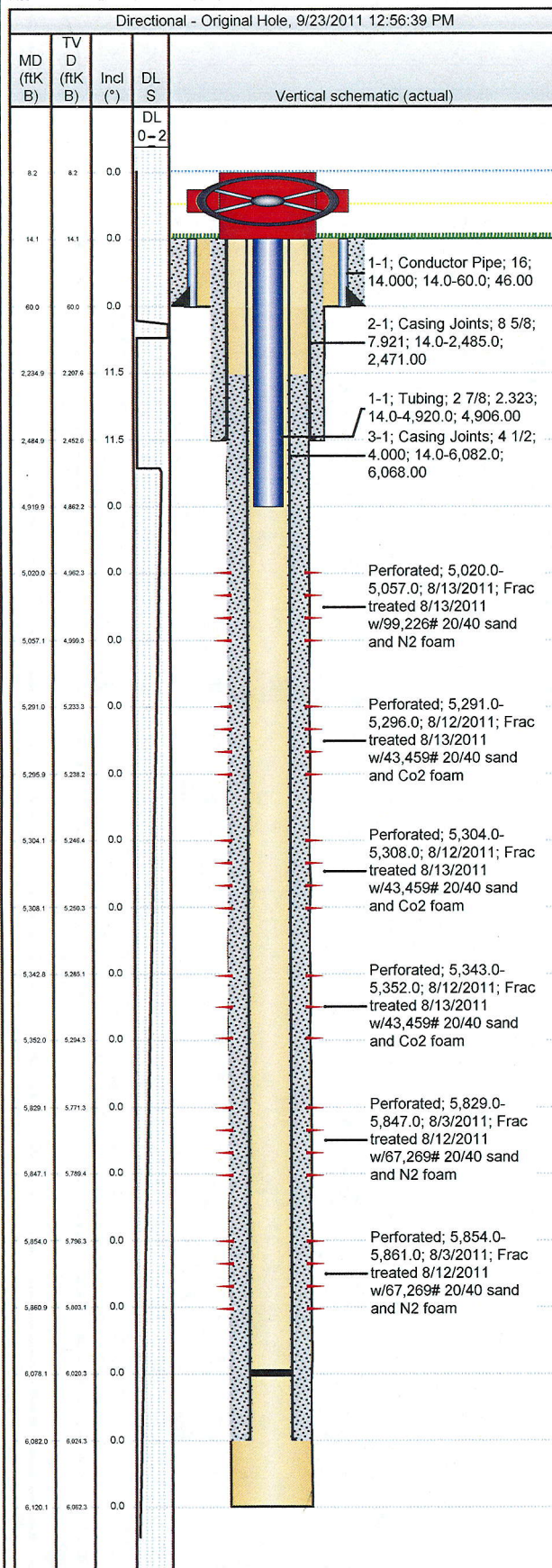
Phone: 801-538-5340

Fax: 801-359-3940



Well Name: Middle Mesa Fed 26-34-29-24

API/UWI 43-037-31904	Surface Legal Location Sec. 26 T29S R24W	Field Name Pine Ridge South	License # UTU-76053	State/Province Colorado	Well Configuration Type Directional
Original KB Elevation (ft) 6,827.00	KB-Tubing Head Distance (ft) 11.00	Spud Date 7/9/2011 15:54	Rig Release Date 7/24/2011 15:54	PBTD (All) (ftKB) Original Hole - 6,078.0	Total Depth All (TVD) (ftKB) Original Hole - 6,062.2



Date of First Sales

On Production Date: 8/18/2011

Casing Strings

Csg Des	OD (in)	Wt/Len (lb/ft)	Grade	Set Depth (ftKB)	Set Depth (TVD) (ftKB)
Conductor	16	0.25	Cond	60.0	60.0
Surface	8 5/8	32.00	J-55	2,485.0	2,452.7
Production	4 1/2	11.60	N-80	6,082.0	6,024.2

Cement

Conductor Cement, Casing, 7/8/2011 00:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Btm (TVD) (ftKB)	Est Top (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Displacement	13.0	60.0	60.0	13.0	G	50		

Surface Casing Cement, Casing, 7/15/2011 00:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Btm (TVD) (ftKB)	Est Top (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Lead	0.0	2,000.0	1,977.5	0.0	G	550	2.09	12.50
Tail	2,000.0	2,480.0	2,447.8	1,977.5	G	200	1.43	13.00

Production Casing Cement, Casing, 7/22/2011 00:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Btm (TVD) (ftKB)	Est Top (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Displacement	2,230.0	6,082.0	6,024.2	2,202.8	G	492	2.16	12.50

Perforations

Date	Top Depth (ftKB)	Bottom Depth (ftKB)	Zone
8/13/2011	5,020.0	5,057.0	Honaker Trail 3, Original Hole
Comment Frac treated 8/13/2011 w/99,226# 20/40 sand and N2 foam			
8/12/2011	5,291.0	5,296.0	Honaker Trail 1, Original Hole
Comment Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam			
8/12/2011	5,304.0	5,308.0	Honaker Trail 1, Original Hole
Comment Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam			
8/12/2011	5,343.0	5,352.0	Honaker Trail 1, Original Hole
Comment Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam			
8/3/2011	5,829.0	5,847.0	LaSal Sandstone, Original Hole
Comment Frac treated 8/12/2011 w/67,269# 20/40 sand and N2 foam			
8/3/2011	5,854.0	5,861.0	LaSal Sandstone, Original Hole
Comment Frac treated 8/12/2011 w/67,269# 20/40 sand and N2 foam			

Tubing Strings

Tubing Description	Run Date	String Length (ft)			Set Depth (ftKB)		
Tubing - Production	9/22/2011	4,906.00			4,920.0		
Item Des	Jts	Make	Model	OD (in)	Wt (lb/ft)	Grade	Len (ft)
Tubing			T&C Upset	2 7/8	7.90	N-80	4,906.00

Production Volumes Test Date

Start Date: 8/15/2011 End Date: 8/16/2011

Gas Volume Over Test Date

Product Type: Reservoir Gas Volume (MCF): 3,500.000

Liquid Volumes Over Test Date

Production Type: Oil Volume (bbl): 10.0

Production Type: Water Volume (bbl): 0.0

Gas Gravity

Comment: 0.748

Oil Gravity

Comment: 55

RECEIVED

SEP 30 2011

Patara Oil & Gas, LLC

San Juan County, UT

Section 26-T29S-R24E

Middle Mesa Fed 26-34-29-24

Frontier #4

Survey: Final Survey Report

Standard Survey Report

30 July, 2011

RECEIVED

SEP 30 2011

CRESCENT
DIRECTIONAL DRILLING

DIV. OF OIL, GAS & MINING

**Patara Oil & Gas, LLC
Middle Mesa Fed 26-34-29-24
San Juan County, UT**



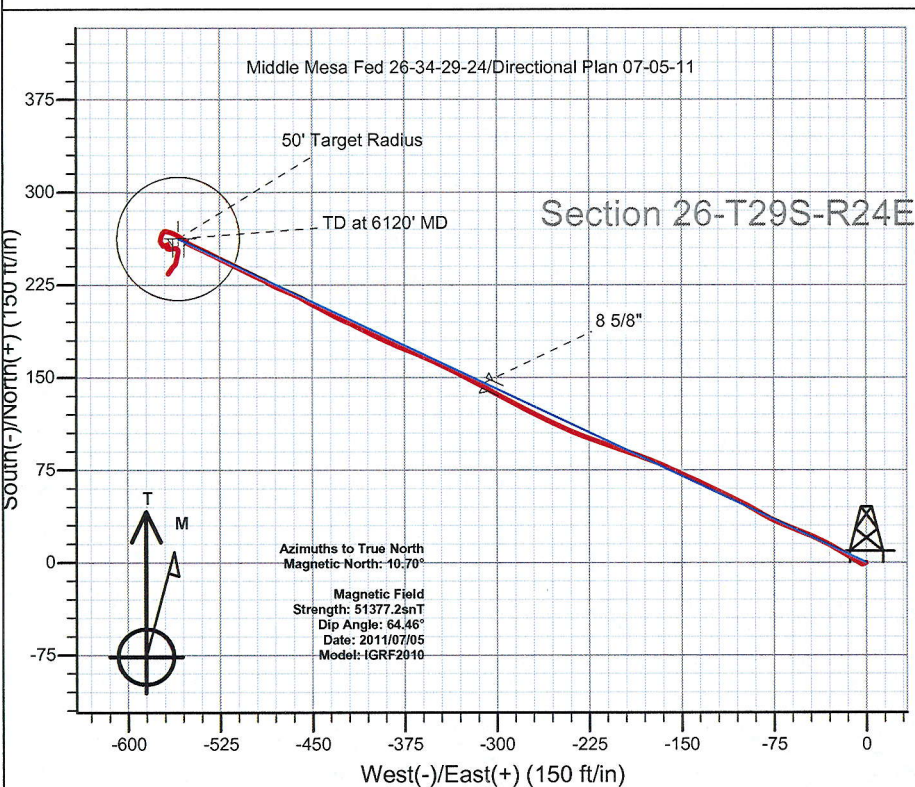
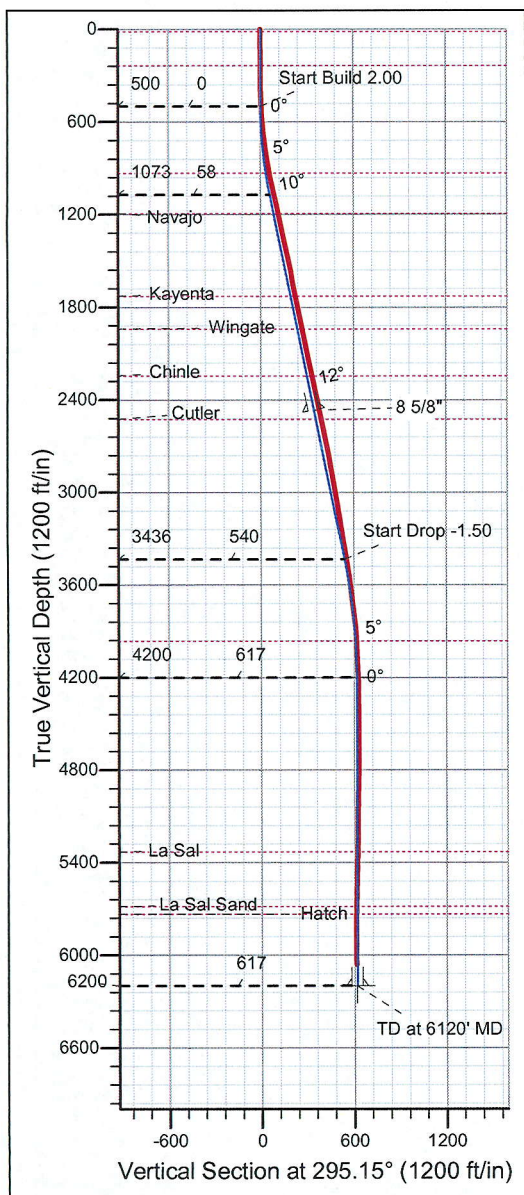
**Geodetic System: US State Plane 1927 (Exact solution)
Zone: Utah South 4303
WELL @ 6825.0ft (Frontier #4 (12' KB))
Ground Level: 6813.0
Latitude: 38° 15' 1.188 N
Longitude: 109° 14' 18.521 W
Magnetic North is 10.70° East of True North (Magnetic Declination)**

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
500.0	0.00	0.00	500.0	0.0	0.0	0.00	0.00	0.0	
1076.7	11.53	295.15	1072.8	24.6	-52.4	2.00	295.15	57.9	
3488.8	11.53	295.15	3436.2	229.5	-489.0	0.00	0.00	540.2	
4257.8	0.00	0.00	4200.0	262.3	-558.8	1.50	180.00	617.3	MM 26-34
6257.8	0.00	0.00	6200.0	262.3	-558.8	0.00	0.00	617.3	MM 26-34 PBHL

WELLBORE TARGET DETAILS (LAT/LONG)

Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape
MM 26-34	4200.0	262.3	-558.8	38° 15' 3.781 N	109° 14' 25.526 W	Circle (Radius: 50.0)
MM 26-34 PBHL	6200.0	262.3	-558.8	38° 15' 3.781 N	109° 14' 25.526 W	Point



Plan: Directional Plan 07-05-11 (Middle Mesa Fed 26-34-29-24/Frontier #4)

Created By: Mike Kirby

Date: 11:44, July 30 2011

Checked: _____

Date: _____

Reviewed: _____

Date: _____

Approved: _____

Date: _____

Crescent Directional Drilling, LP

Survey Report



Company: Patara Oil & Gas, LLC
Project: San Juan County, UT
Site: Section 26-T29S-R24E
Well: Middle Mesa Fed 26-34-29-24
Wellbore: Frontier #4
Design: MWD Surveys

Local Co-ordinate Reference: Well Middle Mesa Fed 26-34-29-24
TVD Reference: WELL @ 6825.0ft (Frontier #4 (12' KB))
MD Reference: WELL @ 6825.0ft (Frontier #4 (12' KB))
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Project	San Juan County, UT		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah South 4303		

Site	Section 26-T29S-R24E				
Site Position:		Northing:	584,494.51 ft	Latitude:	38° 15' 1.188 N
From:	Lat/Long	Easting:	2,649,409.81ft	Longitude:	109° 14' 18.521 W
Position Uncertainty:	0.0 ft	Slot Radius:	"	Grid Convergence:	1.39 °

Well	Middle Mesa Fed 26-34-29-24					
Well Position	+N/-S	0.0 ft	Northing:	584,494.51 ft	Latitude:	38° 15' 1.188 N
	+E/-W	0.0 ft	Easting:	2,649,409.81 ft	Longitude:	109° 14' 18.521 W
Position Uncertainty		0.0 ft	Wellhead Elevation:	6,825.0 ft	Ground Level:	6,813.0 ft

Wellbore	Frontier #4				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	2011/07/05	10.70	64.46	51,377

Design MWD Surveys

Audit Notes:

Version: 1.0 **Phase:** ACTUAL **Tie On Depth:** 0.0

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	295.15

Survey Program Date 2011/07/30

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
261.0	6,120.0	Final Survey Report (Frontier #4)	MWD	

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
261.0	0.60	240.80	261.0	-0.7	-1.2	0.8	0.23	0.23	0.00
355.0	1.00	237.80	355.0	-1.3	-2.3	1.5	0.43	0.43	-3.19
387.0	1.00	255.30	387.0	-1.6	-2.8	1.9	0.95	0.00	54.69
418.0	1.40	289.80	418.0	-1.5	-3.4	2.5	2.61	1.29	111.29
450.0	2.30	299.40	450.0	-1.1	-4.4	3.5	2.96	2.81	30.00
484.0	2.90	301.90	483.9	-0.3	-5.7	5.0	1.80	1.76	7.35
516.0	3.00	302.40	515.9	0.6	-7.1	6.7	0.32	0.31	1.56
548.0	3.10	299.50	547.8	1.5	-8.5	8.4	0.57	0.31	-9.06
579.0	4.00	302.80	578.8	2.5	-10.2	10.3	2.98	2.90	10.65
610.0	5.10	304.10	609.7	3.8	-12.2	12.7	3.56	3.55	4.19
642.0	5.80	303.40	641.5	5.5	-14.8	15.7	2.20	2.19	-2.19
674.0	6.10	303.40	673.4	7.4	-17.5	19.0	0.94	0.94	0.00

Crescent Directional Drilling, LP

Survey Report



Company: Patara Oil & Gas, LLC
Project: San Juan County, UT
Site: Section 26-T29S-R24E
Well: Middle Mesa Fed 26-34-29-24
Wellbore: Frontier #4
Design: MWD Surveys

Local Co-ordinate Reference: Well Middle Mesa Fed 26-34-29-24
TVD Reference: WELL @ 6825.0ft (Frontier #4 (12' KB))
MD Reference: WELL @ 6825.0ft (Frontier #4 (12' KB))
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
706.0	6.90	300.20	705.2	9.3	-20.6	22.6	2.74	2.50	-10.00
737.0	7.60	299.30	735.9	11.2	-24.0	26.5	2.29	2.26	-2.90
768.0	7.80	299.30	766.6	13.2	-27.6	30.6	0.65	0.65	0.00
799.0	8.10	297.80	797.3	15.3	-31.4	34.9	1.18	0.97	-4.84
829.0	8.70	295.90	827.0	17.3	-35.3	39.3	2.20	2.00	-6.33
861.0	9.40	294.60	858.6	19.4	-39.9	44.3	2.28	2.19	-4.06
892.0	10.10	293.20	889.2	21.5	-44.7	49.6	2.38	2.26	-4.52
924.0	10.60	293.20	920.6	23.8	-49.9	55.3	1.56	1.56	0.00
955.0	10.60	292.30	951.1	26.0	-55.2	61.0	0.53	0.00	-2.90
987.0	11.80	291.90	982.5	28.3	-61.0	67.2	3.76	3.75	-1.25
1,019.0	12.00	291.60	1,013.8	30.8	-67.1	73.8	0.65	0.62	-0.94
1,050.0	12.20	295.20	1,044.1	33.4	-73.1	80.3	2.52	0.65	11.61
1,082.0	12.20	298.60	1,075.4	36.4	-79.1	87.1	2.25	0.00	10.62
1,114.0	12.20	299.20	1,106.7	39.7	-85.0	93.8	0.40	0.00	1.87
1,146.0	12.40	299.40	1,137.9	43.0	-90.9	100.6	0.64	0.62	0.62
1,177.0	12.40	298.90	1,168.2	46.3	-96.8	107.2	0.35	0.00	-1.61
1,209.0	12.30	297.40	1,199.5	49.5	-102.8	114.1	1.05	-0.31	-4.69
1,242.0	12.10	296.20	1,231.7	52.6	-109.0	121.1	0.98	-0.61	-3.64
1,274.0	12.30	295.70	1,263.0	55.6	-115.1	127.8	0.71	0.62	-1.56
1,305.0	12.60	295.80	1,293.3	58.5	-121.1	134.5	0.97	0.97	0.32
1,337.0	12.80	295.70	1,324.5	61.6	-127.5	141.5	0.63	0.62	-0.31
1,368.0	12.30	294.70	1,354.8	64.4	-133.5	148.3	1.76	-1.61	-3.23
1,400.0	12.00	295.00	1,386.0	67.3	-139.7	155.0	0.96	-0.94	0.94
1,431.0	12.40	294.10	1,416.3	70.0	-145.6	161.6	1.43	1.29	-2.90
1,463.0	12.50	294.20	1,447.6	72.8	-151.9	168.5	0.32	0.31	0.31
1,495.0	12.30	294.60	1,478.8	75.6	-158.2	175.3	0.68	-0.62	1.25
1,527.0	11.80	294.50	1,510.1	78.4	-164.2	182.0	1.56	-1.56	-0.31
1,558.0	11.80	293.40	1,540.5	81.0	-170.0	188.3	0.73	0.00	-3.55
1,589.0	11.30	292.00	1,570.9	83.4	-175.8	194.5	1.85	-1.61	-4.52
1,621.0	10.60	289.40	1,602.3	85.5	-181.5	200.6	2.68	-2.19	-8.12
1,652.0	10.60	288.90	1,632.7	87.4	-186.8	206.3	0.30	0.00	-1.61
1,684.0	10.80	287.90	1,664.2	89.3	-192.5	212.2	0.85	0.62	-3.12
1,716.0	11.20	288.60	1,695.6	91.2	-198.3	218.2	1.32	1.25	2.19
1,748.0	11.40	289.20	1,727.0	93.2	-204.2	224.5	0.72	0.62	1.87
1,779.0	11.30	290.10	1,757.4	95.3	-210.0	230.5	0.66	-0.32	2.90
1,811.0	11.60	290.40	1,788.7	97.5	-215.9	236.9	0.96	0.94	0.94
1,842.0	11.70	289.20	1,819.1	99.6	-221.8	243.1	0.85	0.32	-3.87
1,874.0	11.80	290.10	1,850.4	101.8	-227.9	249.6	0.65	0.31	2.81
1,905.0	11.50	292.20	1,880.8	104.0	-233.8	255.8	1.68	-0.97	6.77
1,937.0	11.70	293.60	1,912.1	106.5	-239.7	262.3	1.08	0.62	4.37
1,969.0	11.40	294.70	1,943.5	109.2	-245.5	268.7	1.16	-0.94	3.44
2,000.0	11.10	295.20	1,973.9	111.7	-251.0	274.7	1.02	-0.97	1.61
2,031.0	11.30	294.90	2,004.3	114.3	-256.5	280.7	0.67	0.65	-0.97
2,062.0	11.40	295.50	2,034.7	116.9	-262.0	286.8	0.50	0.32	1.94
2,095.0	11.60	296.70	2,067.0	119.8	-267.9	293.4	0.94	0.61	3.64
2,126.0	11.50	297.00	2,097.4	122.6	-273.5	299.6	0.38	-0.32	0.97
2,157.0	11.70	298.60	2,127.8	125.5	-279.0	305.8	1.22	0.65	5.16
2,189.0	11.60	297.90	2,159.1	128.5	-284.7	312.3	0.54	-0.31	-2.19
2,221.0	11.90	298.70	2,190.4	131.6	-290.4	318.8	1.07	0.94	2.50
2,252.0	12.10	298.20	2,220.8	134.7	-296.1	325.2	0.73	0.65	-1.61
2,284.0	12.10	298.80	2,252.1	137.9	-302.0	331.9	0.39	0.00	1.87
2,316.0	12.20	298.40	2,283.3	141.1	-307.9	338.7	0.41	0.31	-1.25
2,347.0	12.30	298.50	2,313.6	144.2	-313.7	345.2	0.33	0.32	0.32
2,437.0	12.40	297.70	2,401.5	153.3	-330.6	364.4	0.22	0.11	-0.89

Crescent Directional Drilling, LP

Survey Report



Company: Patara Oil & Gas, LLC
Project: San Juan County, UT
Site: Section 26-T29S-R24E
Well: Middle Mesa Fed 26-34-29-24
Wellbore: Frontier #4
Design: MWD Surveys

Local Co-ordinate Reference: Well Middle Mesa Fed 26-34-29-24
TVD Reference: WELL @ 6825.0ft (Frontier #4 (12' KB))
MD Reference: WELL @ 6825.0ft (Frontier #4 (12' KB))
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
2,576.0	12.00	294.00	2,537.4	166.1	-357.0	393.8	0.63	-0.29	-2.66
2,606.0	11.80	291.30	2,566.8	168.5	-362.8	400.0	1.97	-0.67	-9.00
2,638.0	11.70	290.70	2,598.1	170.8	-368.8	406.5	0.49	-0.31	-1.87
2,670.0	11.50	292.50	2,629.4	173.2	-374.8	412.9	1.29	-0.62	5.62
2,702.0	11.10	292.90	2,660.8	175.6	-380.6	419.2	1.27	-1.25	1.25
2,734.0	11.30	294.40	2,692.2	178.1	-386.3	425.4	1.10	0.62	4.69
2,765.0	11.50	296.80	2,722.6	180.8	-391.8	431.5	1.66	0.65	7.74
2,797.0	11.00	294.80	2,754.0	183.5	-397.4	437.7	1.98	-1.56	-6.25
2,828.0	10.90	295.40	2,784.4	186.0	-402.8	443.6	0.49	-0.32	1.94
2,860.0	10.50	298.30	2,815.9	188.7	-408.1	449.6	2.10	-1.25	9.06
2,891.0	10.50	297.00	2,846.3	191.3	-413.1	455.2	0.76	0.00	-4.19
2,922.0	10.20	293.70	2,876.8	193.7	-418.1	460.8	2.14	-0.97	-10.65
2,954.0	10.20	292.90	2,908.3	195.9	-423.3	466.4	0.44	0.00	-2.50
2,986.0	9.90	295.90	2,939.8	198.2	-428.4	472.0	1.89	-0.94	9.37
3,017.0	9.50	300.10	2,970.4	200.7	-433.0	477.2	2.62	-1.29	13.55
3,049.0	9.50	298.70	3,002.0	203.3	-437.6	482.5	0.72	0.00	-4.37
3,081.0	9.60	296.30	3,033.5	205.7	-442.3	487.8	1.28	0.31	-7.50
3,113.0	9.50	297.10	3,065.1	208.1	-447.1	493.1	0.52	-0.31	2.50
3,144.0	9.30	299.30	3,095.7	210.5	-451.5	498.2	1.33	-0.65	7.10
3,176.0	9.10	298.60	3,127.3	213.0	-456.0	503.3	0.72	-0.62	-2.19
3,207.0	9.20	299.30	3,157.9	215.4	-460.3	508.2	0.48	0.32	2.26
3,239.0	9.40	294.00	3,189.4	217.7	-464.9	513.4	2.75	0.62	-16.56
3,270.0	9.50	291.40	3,220.0	219.6	-469.6	518.4	1.41	0.32	-8.39
3,301.0	9.60	291.80	3,250.6	221.5	-474.4	523.6	0.39	0.32	1.29
3,333.0	9.30	297.50	3,282.2	223.7	-479.2	528.8	3.07	-0.94	17.81
3,365.0	9.40	298.80	3,313.7	226.2	-483.8	534.0	0.73	0.31	4.06
3,396.0	9.30	296.80	3,344.3	228.5	-488.2	539.0	1.10	-0.32	-6.45
3,427.0	9.00	294.70	3,374.9	230.7	-492.7	544.0	1.45	-0.97	-6.77
3,459.0	8.80	293.80	3,406.5	232.7	-497.2	548.9	0.76	-0.62	-2.81
3,491.0	8.80	296.80	3,438.2	234.8	-501.6	553.8	1.43	0.00	9.37
3,523.0	8.60	298.40	3,469.8	237.0	-505.9	558.7	0.98	-0.62	5.00
3,555.0	8.40	296.50	3,501.4	239.2	-510.1	563.4	1.08	-0.62	-5.94
3,586.0	8.00	295.30	3,532.1	241.1	-514.1	567.8	1.40	-1.29	-3.87
3,618.0	7.70	295.50	3,563.8	243.0	-518.0	572.2	0.94	-0.94	0.62
3,650.0	7.50	296.70	3,595.5	244.9	-521.8	576.4	0.80	-0.62	3.75
3,681.0	7.70	298.20	3,626.3	246.8	-525.4	580.5	0.91	0.65	4.84
3,713.0	7.50	298.30	3,658.0	248.8	-529.2	584.7	0.63	-0.62	0.31
3,744.0	7.40	296.30	3,688.7	250.6	-532.7	588.7	0.90	-0.32	-6.45
3,776.0	7.20	293.40	3,720.5	252.3	-536.4	592.8	1.31	-0.62	-9.06
3,808.0	6.90	294.10	3,752.2	253.9	-540.0	596.7	0.98	-0.94	2.19
3,840.0	6.40	294.30	3,784.0	255.4	-543.4	600.4	1.56	-1.56	0.62
3,872.0	6.20	294.90	3,815.8	256.9	-546.6	603.9	0.66	-0.62	1.87
3,903.0	5.80	300.50	3,846.6	258.4	-549.5	607.2	2.29	-1.29	18.06
3,935.0	5.40	302.80	3,878.5	260.0	-552.1	610.3	1.43	-1.25	7.19
3,967.0	4.60	307.90	3,910.4	261.6	-554.4	613.0	2.86	-2.50	15.94
3,998.0	3.70	310.40	3,941.3	263.0	-556.1	615.2	2.96	-2.90	8.06
4,030.0	3.00	305.30	3,973.2	264.2	-557.6	617.0	2.38	-2.19	-15.94
4,062.0	2.80	303.70	4,005.2	265.1	-558.9	618.6	0.67	-0.62	-5.00
4,094.0	2.80	299.60	4,037.2	265.9	-560.3	620.2	0.63	0.00	-12.81
4,126.0	2.90	295.80	4,069.1	266.7	-561.7	621.8	0.67	0.31	-11.87
4,156.0	2.60	293.60	4,099.1	267.3	-563.0	623.2	1.06	-1.00	-7.33
4,188.0	2.10	288.10	4,131.1	267.7	-564.2	624.5	1.71	-1.56	-17.19
4,220.0	2.20	278.40	4,163.0	268.0	-565.4	625.7	1.18	0.31	-30.31
4,252.0	2.00	278.20	4,195.0	268.2	-566.5	626.8	0.63	-0.62	-0.62

Crescent Directional Drilling, LP

Survey Report



Company: Patara Oil & Gas, LLC
Project: San Juan County, UT
Site: Section 26-T29S-R24E
Well: Middle Mesa Fed 26-34-29-24
Wellbore: Frontier #4
Design: MWD Surveys

Local Co-ordinate Reference: Well Middle Mesa Fed 26-34-29-24
TVD Reference: WELL @ 6825.0ft (Frontier #4 (12' KB))
MD Reference: WELL @ 6825.0ft (Frontier #4 (12' KB))
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,256.8	1.87	278.50	4,199.8	268.2	-566.7	627.0	2.83	-2.82	6.26
MM 26-34									
4,284.0	1.10	281.60	4,227.0	268.3	-567.4	627.6	2.83	-2.81	11.39
4,315.0	0.80	296.80	4,258.0	268.5	-567.9	628.1	1.26	-0.97	49.03
4,347.0	1.00	271.80	4,290.0	268.6	-568.4	628.6	1.36	0.62	-78.12
4,379.0	0.80	282.00	4,322.0	268.6	-568.9	629.1	0.80	-0.62	31.87
4,410.0	0.80	275.70	4,353.0	268.7	-569.3	629.5	0.28	0.00	-20.32
4,442.0	0.60	237.50	4,385.0	268.6	-569.6	629.8	1.55	-0.62	-119.37
4,474.0	1.00	226.00	4,417.0	268.4	-570.0	630.0	1.34	1.25	-35.94
4,506.0	0.90	226.10	4,449.0	268.0	-570.4	630.2	0.31	-0.31	0.31
4,538.0	1.50	219.50	4,481.0	267.5	-570.8	630.4	1.92	1.87	-20.62
4,569.0	1.50	213.60	4,512.0	266.8	-571.3	630.5	0.50	0.00	-19.03
4,601.0	1.70	199.70	4,543.9	266.0	-571.7	630.6	1.36	0.62	-43.44
4,633.0	1.80	199.60	4,575.9	265.1	-572.0	630.5	0.31	0.31	-0.31
4,664.0	1.80	196.00	4,606.9	264.2	-572.3	630.3	0.36	0.00	-11.61
4,696.0	1.70	193.20	4,638.9	263.2	-572.6	630.2	0.41	-0.31	-8.75
4,728.0	1.50	198.70	4,670.9	262.4	-572.8	630.0	0.79	-0.62	17.19
4,759.0	1.30	192.20	4,701.9	261.7	-573.0	629.9	0.82	-0.65	-20.97
4,790.0	1.00	177.00	4,732.9	261.0	-573.1	629.7	1.37	-0.97	-49.03
4,822.0	1.10	170.90	4,764.9	260.5	-573.0	629.4	0.47	0.31	-19.06
4,854.0	1.10	150.30	4,796.9	259.9	-572.8	629.0	1.23	0.00	-64.37
4,885.0	1.30	137.10	4,827.9	259.4	-572.4	628.4	1.10	0.65	-42.58
4,916.0	1.30	144.10	4,858.8	258.8	-572.0	627.8	0.51	0.00	22.58
4,948.0	1.60	163.50	4,890.8	258.1	-571.6	627.1	1.78	0.94	60.62
4,980.0	1.60	142.60	4,922.8	257.3	-571.2	626.4	1.81	0.00	-65.31
5,012.0	1.40	116.40	4,954.8	256.8	-570.6	625.7	2.21	-0.62	-81.87
5,043.0	1.70	78.40	4,985.8	256.7	-569.8	624.9	3.38	0.97	-122.58
5,074.0	2.00	61.60	5,016.8	257.1	-568.9	624.2	1.99	0.97	-54.19
5,106.0	1.90	64.90	5,048.8	257.6	-567.9	623.6	0.47	-0.31	10.31
5,169.0	0.60	143.40	5,111.8	257.7	-566.8	622.6	2.98	-2.06	124.60
5,201.0	1.20	185.70	5,143.8	257.3	-566.7	622.3	2.68	1.87	132.19
5,233.0	1.40	193.80	5,175.7	256.6	-566.8	622.1	0.85	0.62	25.31
5,264.0	1.50	194.30	5,206.7	255.8	-567.0	622.0	0.33	0.32	1.61
5,296.0	1.10	193.00	5,238.7	255.1	-567.2	621.9	1.25	-1.25	-4.06
5,328.0	0.50	167.00	5,270.7	254.7	-567.2	621.7	2.15	-1.87	-81.25
5,360.0	0.70	77.10	5,302.7	254.6	-567.0	621.5	2.69	0.62	-280.94
5,391.0	1.00	87.50	5,333.7	254.6	-566.6	621.1	1.08	0.97	33.55
5,423.0	0.80	132.60	5,365.7	254.5	-566.1	620.6	2.23	-0.62	140.94
5,454.0	0.60	118.60	5,396.7	254.3	-565.8	620.2	0.84	-0.65	-45.16
5,486.0	0.80	77.60	5,428.7	254.2	-565.5	619.9	1.64	0.62	-128.12
5,517.0	1.90	77.50	5,459.7	254.4	-564.7	619.3	3.55	3.55	-0.32
5,549.0	2.70	79.60	5,491.7	254.6	-563.5	618.3	2.51	2.50	6.56
5,581.0	2.60	85.30	5,523.6	254.8	-562.0	617.0	0.88	-0.31	17.81
5,613.0	2.20	92.80	5,555.6	254.9	-560.7	615.8	1.59	-1.25	23.44
5,645.0	1.90	121.70	5,587.6	254.6	-559.6	614.8	3.32	-0.94	90.31
5,676.0	2.00	148.00	5,618.6	253.8	-558.9	613.8	2.88	0.32	84.84
5,708.0	2.30	177.00	5,650.6	252.7	-558.6	613.0	3.48	0.94	90.62
5,739.0	3.20	189.70	5,681.5	251.2	-558.7	612.5	3.49	2.90	40.97
5,771.0	3.60	193.00	5,713.5	249.4	-559.1	612.0	1.39	1.25	10.31
5,803.0	3.60	193.30	5,745.4	247.4	-559.5	611.6	0.06	0.00	0.94
5,834.0	3.00	188.90	5,776.3	245.7	-559.9	611.2	2.10	-1.94	-14.19
5,866.0	2.80	191.30	5,808.3	244.1	-560.1	610.8	0.73	-0.62	7.50
5,898.0	2.30	198.70	5,840.3	242.7	-560.5	610.5	1.87	-1.56	23.12
5,930.0	1.70	213.90	5,872.3	241.7	-561.0	610.5	2.49	-1.87	47.50
5,961.0	1.70	222.40	5,903.2	241.0	-561.5	610.7	0.81	0.00	27.42

Crescent Directional Drilling, LP

Survey Report



Company: Patara Oil & Gas, LLC
Project: San Juan County, UT
Site: Section 26-T29S-R24E
Well: Middle Mesa Fed 26-34-29-24
Wellbore: Frontier #4
Design: MWD Surveys

Local Co-ordinate Reference: Well Middle Mesa Fed 26-34-29-24
TVD Reference: WELL @ 6825.0ft (Frontier #4 (12' KB))
MD Reference: WELL @ 6825.0ft (Frontier #4 (12' KB))
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,993.0	2.10	223.30	5,935.2	240.2	-562.3	611.0	1.25	1.25	2.81
6,025.0	2.90	220.50	5,967.2	239.2	-563.2	611.4	2.53	2.50	-8.75
6,071.0	3.60	215.80	6,013.1	237.1	-564.8	612.0	1.63	1.52	-10.22
6,120.0	4.35	210.79	6,062.0	234.3	-566.6	612.5	1.69	1.53	-10.22
MM 26-34 PBHL									

Targets

Target Name

- hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
- Shape									
MM 26-34 PBHL	0.00	0.00	6,200.0	262.3	-558.8	584,743.23	2,648,844.83	38° 15' 3.781 N	109° 14' 25.526 W
- survey misses target center by 141.0ft at 6120.0ft MD (6062.0 TVD, 234.3 N, -566.6 E)									
- Point									
MM 26-34	0.00	0.00	4,200.0	262.3	-558.8	584,743.23	2,648,844.83	38° 15' 3.781 N	109° 14' 25.526 W
- survey misses target center by 9.9ft at 4256.7ft MD (4199.7 TVD, 268.2 N, -566.7 E)									
- Circle (radius 50.0)									

Checked By: _____ Approved By: _____ Date: _____

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		8. WELL NAME and NUMBER: MIDDLE MESA FED 26-34-29-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011 FSL 0789 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 26 Township: 29.0S Range: 24.0E Meridian: S		9. API NUMBER: 43037319040000
9. FIELD and POOL or WILDCAT: UNDESIGNATED		COUNTY: SAN JUAN
STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/6/2011	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> DRILLING REPORT Report Date:	OTHER: <input style="width: 100px;" type="text" value="Site security"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>Patara Oil & Gas has completed the placement of surface production equipment on the subject well, and the well is now, and/or has been, producing a continuous flow of hydrocarbons. Clean produced water is being hauled via truck to the disposal well located at Patara's Lisbon Gas Plant in Utah, Sal, UT. Dirty produced water is being hauled via truck to the Ream's Construction 80 Ponds Treatment and Recycling Facility located in Naperville, CO. Any produced oil from the well is trucked off lease to a sales point and is sold to market. Please retain the attached site security diagrams and water haul maps for your records. Please contact Christopher Noonan with Patara with any questions or concerns.</p>		
NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A	DATE 12/6/2011	



Patara Oil & Gas USA, Inc.
Site Security Diagram
Wellsite: Middle Mesa 26-34
NENE Sec. 15, T30S, R25E
San Juan County, Utah
API#
Lease#
Date Drawn:
Filename: MM 26-34 SSD.dwg

NOTE:

1. DRAWING IS NOT TO SCALE
2. ACTUAL PHYSICAL LOCATION OF UNDERGROUND FLOW LINES MAY NOT BE ACCURATELY REPRESENTED ON THIS DRAWING. MAKE ONE CALL AND USE PIPE LOCATOR PRIOR TO DIGGING.

THIS LEASE IS SUBJECT TO THE SITE SECURITY PLAN.
THE PLAN IS LOCATED AT:

Patara Oil and Gas USA, Inc.
Lisbon Plant
7 Rankine Road
La Sal, Utah 84530

GENERAL SEALING OF VALVES, SALES BY TANK GAUGING

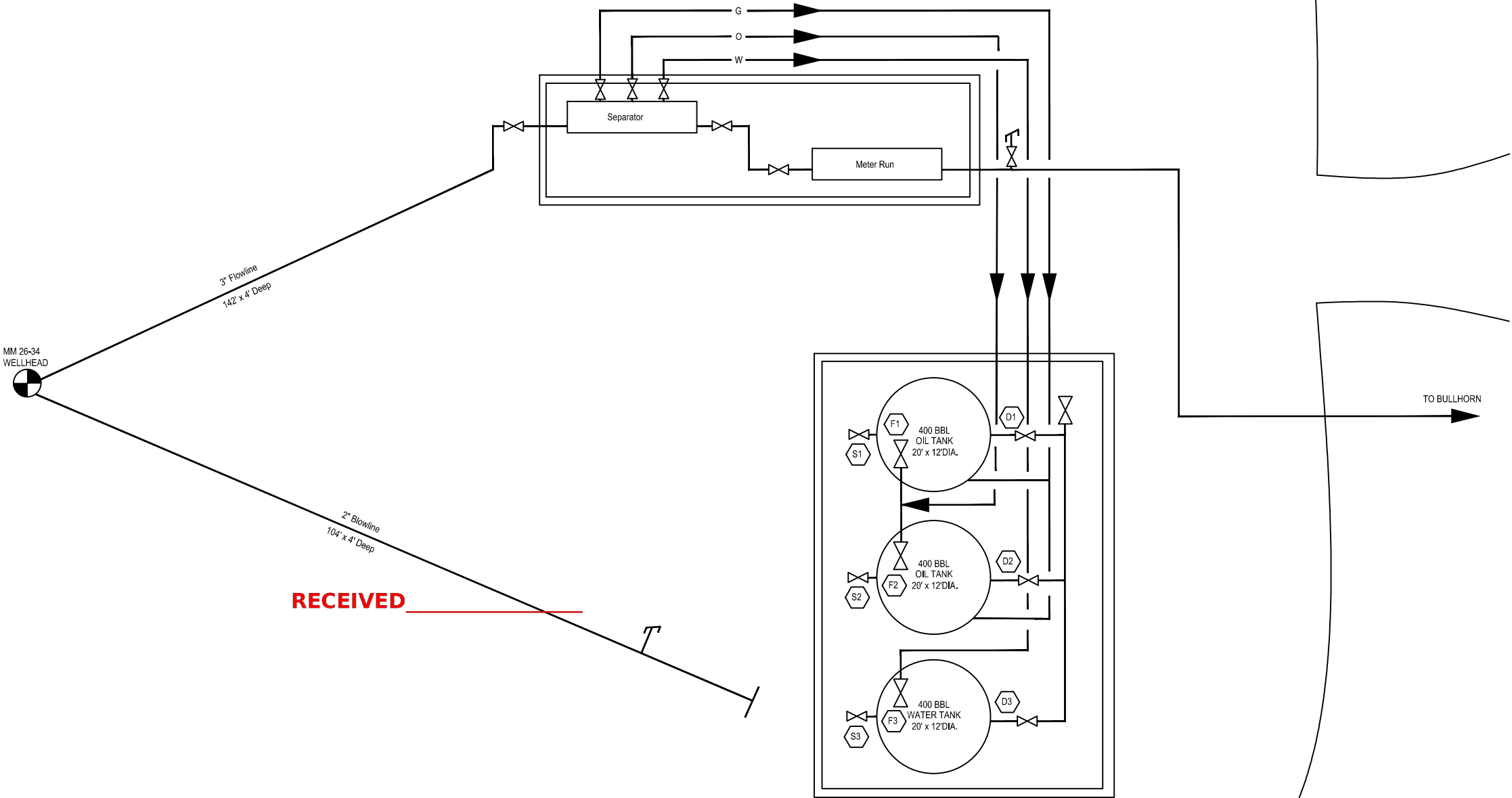
Production Phase: All drain valves, D1 & D2, and sales valves, S1 & S2, will be sealed closed during production. D3 will be closed, but not sealed.

Sales Phase: Drain valves D1 & D2, and fill valves F1 & F2, will be sealed closed during sales. D3 will be closed, but not sealed. The sales valves S1 & S2, will be closed and re-sealed after completion of sales activities.

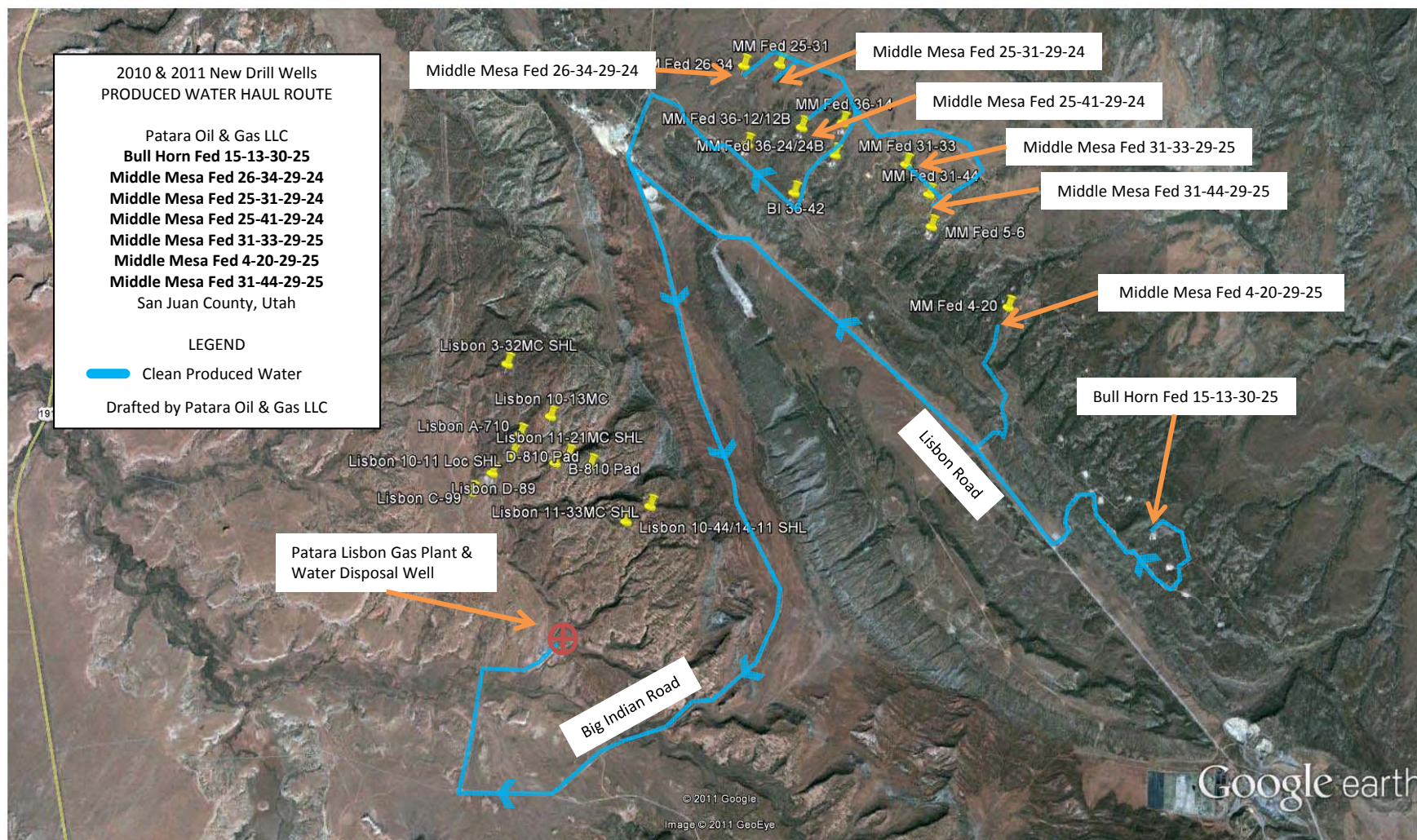
Draining Phase (from drain valves): Sales valves, S1 & S2, will be sealed closed during draining. The drain valves D1 & D2 will be closed and re-sealed after completion of draining activities. D3 will be closed after completion of draining activities, but not sealed.

Draining Phase (from sales valves): Drain valves, D1 & D2, will be sealed closed during draining. D3 will be closed, but not sealed. The sales valves S1 & S2 will be closed and re-sealed after completion of draining activities.

Site diagram and plan are available during normal working hours.

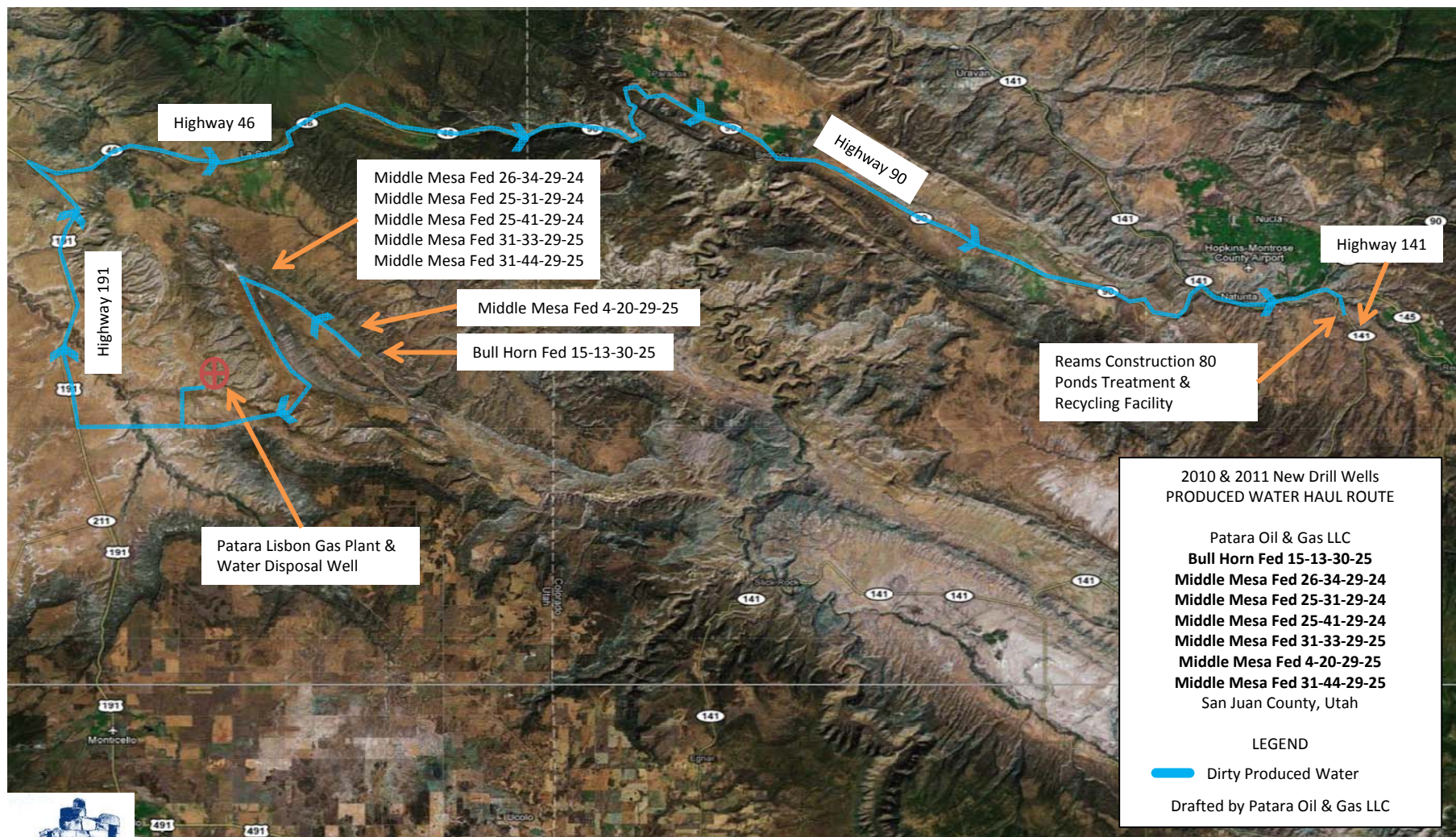


RECEIVED _____



Patara Oil & Gas LLC





Patara Oil & Gas LLC

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		8. WELL NAME and NUMBER: MIDDLE MESA FED 26-34-29-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011 FSL 0789 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 26 Township: 29.0S Range: 24.0E Meridian: S		9. API NUMBER: 43037319040000
9. FIELD and POOL or WILDCAT: UNDESIGNATED		COUNTY: SAN JUAN
STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> APD EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input checked="" type="checkbox"/> OTHER	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/6/2011		
<input type="checkbox"/> SPUD REPORT Date of Spud:		
<input type="checkbox"/> DRILLING REPORT Report Date:		
OTHER: <input style="width: 100px;" type="text" value="Site security"/>		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Patara Oil & Gas has completed the placement of surface production equipment on the subject well, and the well is now, and/or has been, producing a continuous flow of hydrocarbons. Clean produced water is being hauled via truck to the disposal well located at Patara's Lisbon Gas Plant in Sal, UT. Dirty produced water is being hauled via truck to the Ream's Construction 80 Ponds Treatment and Recycling Facility located in Naperville, CO. Any produced oil from the well is trucked off lease to a sales point and is sold to market. Please retain the attached site security diagrams and water haul maps for your records. Please contact Christopher Noonan with Patara with any questions or concerns.		
NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A	DATE 12/6/2011	



Patara Oil & Gas USA, Inc.
Site Security Diagram
Wellsite: Middle Mesa 26-34
NENE Sec. 15, T30S, R25E
San Juan County, Utah
API#
Lease#
Date Drawn:
Filename: MM 26-34 SSD.dwg

NOTE:

1. DRAWING IS NOT TO SCALE
2. ACTUAL PHYSICAL LOCATION OF UNDERGROUND FLOW LINES MAY NOT BE ACCURATELY REPRESENTED ON THIS DRAWING. MAKE ONE CALL AND USE PIPE LOCATOR PRIOR TO DIGGING.

THIS LEASE IS SUBJECT TO THE SITE SECURITY PLAN.
THE PLAN IS LOCATED AT:

Patara Oil and Gas USA, Inc.
Lisbon Plant
7 Rankine Road
La Sal, Utah 84530

GENERAL SEALING OF VALVES, SALES BY TANK GAUGING

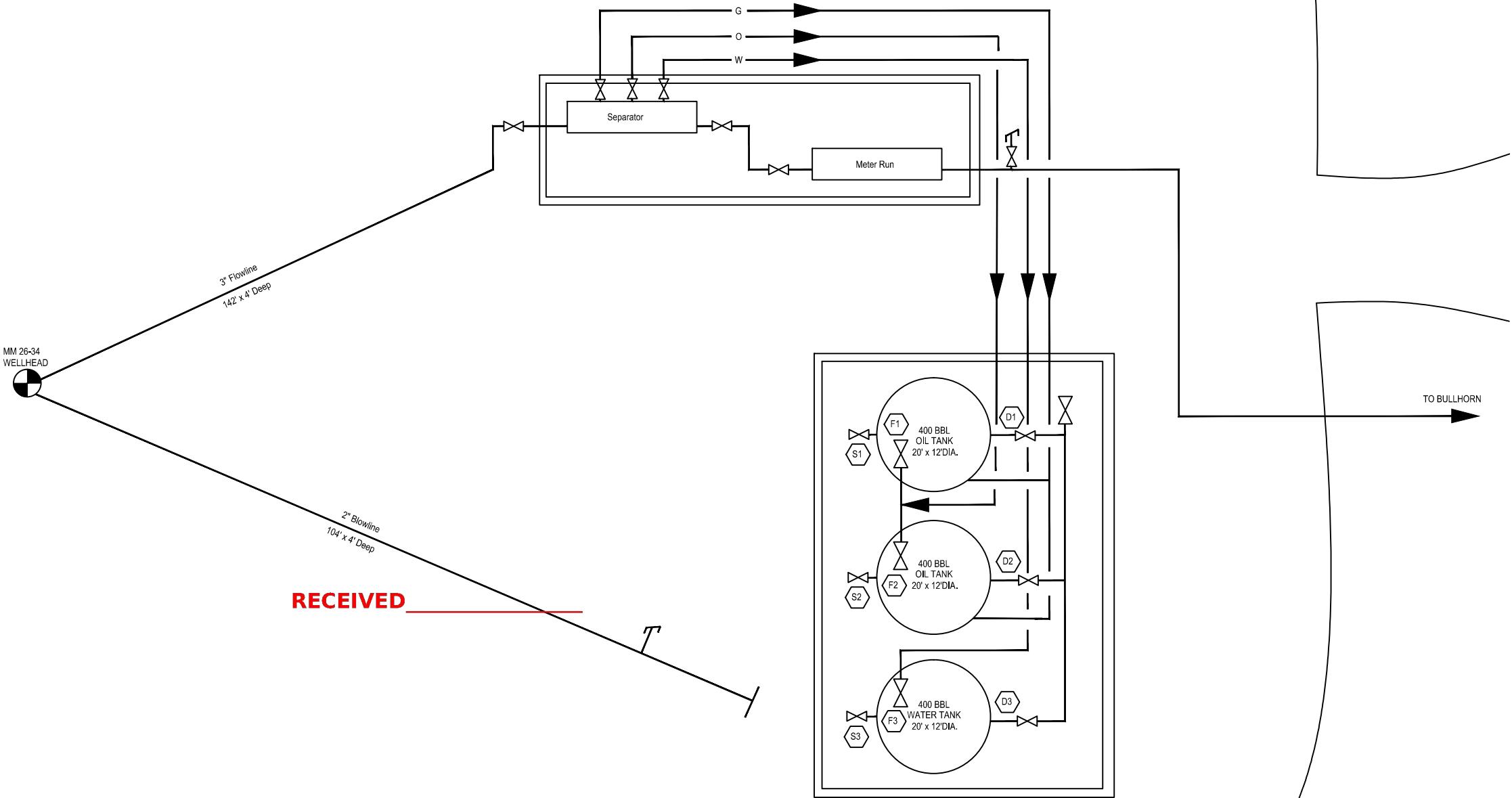
Production Phase: All drain valves, D1 & D2, and sales valves, S1 & S2, will be sealed closed during production. D3 will be closed, but not sealed.

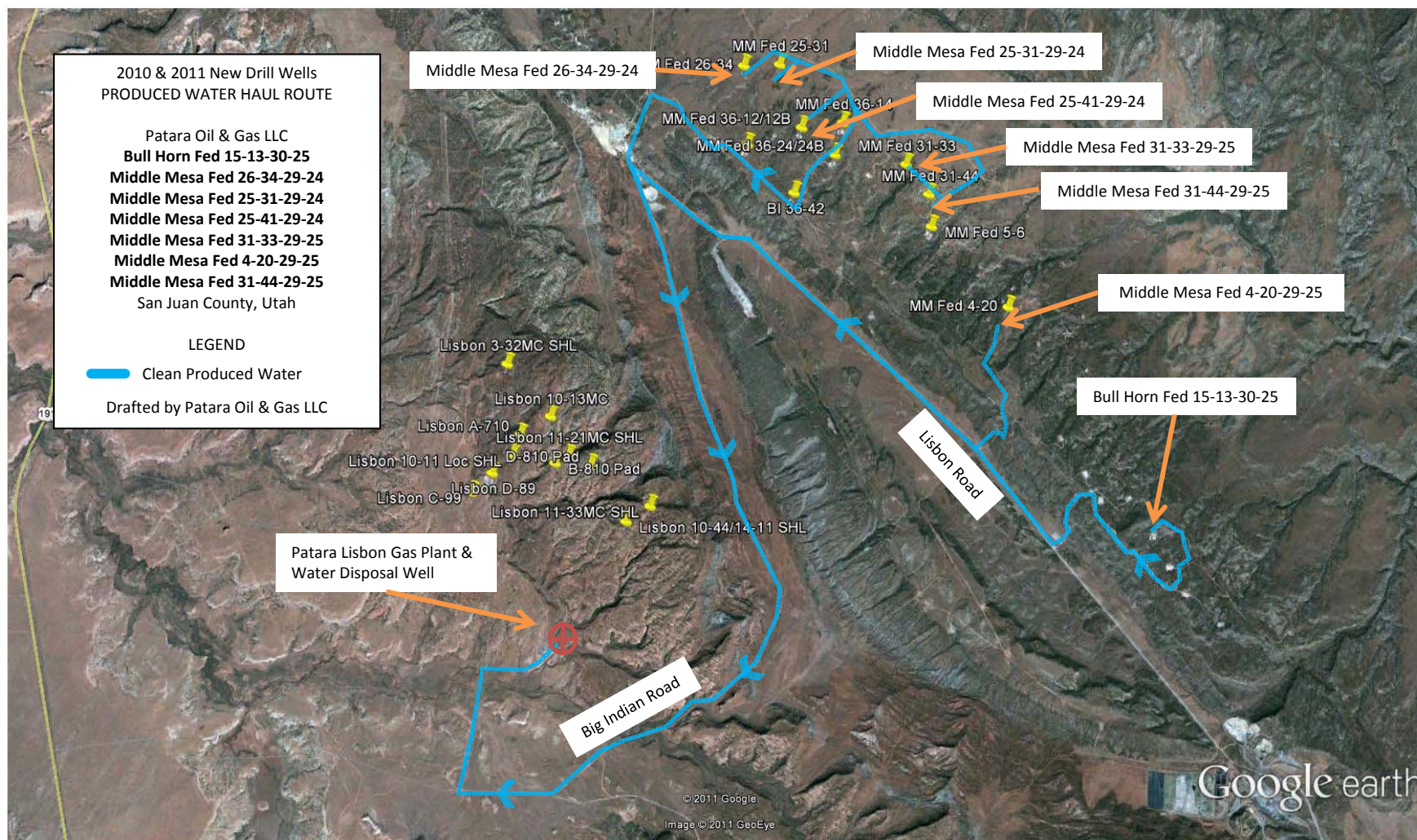
Sales Phase: Drain valves D1 & D2, and fill valves F1 & F2, will be sealed closed during sales. D3 will be closed, but not sealed. The sales valves S1 & S2, will be closed and re-sealed after completion of sales activities.

Draining Phase (from drain valves): Sales valves, S1 & S2, will be sealed closed during draining. The drain valves D1 & D2 will be closed and re-sealed after completion of draining activities. D3 will be closed after completion of draining activities, but not sealed.

Draining Phase (from sales valves): Drain valves, D1 & D2, will be sealed closed during draining. D3 will be closed, but not sealed. The sales valves S1 & S2 will be closed and re-sealed after completion of draining activities.

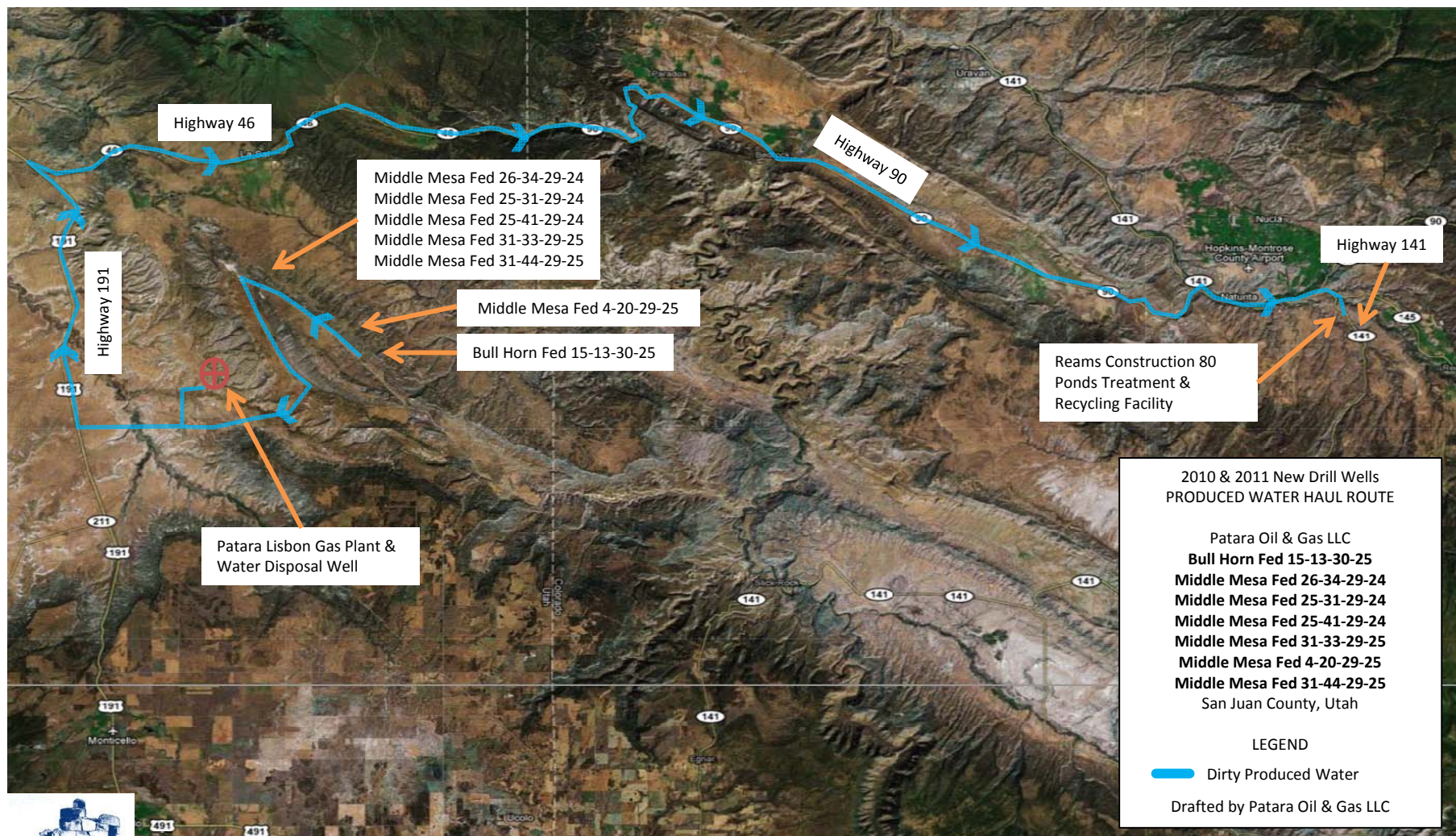
Site diagram and plan are available during normal working hours.





Patara Oil & Gas LLC





Patara Oil & Gas LLC

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		8. WELL NAME and NUMBER: MIDDLE MESA FED 26-34-29-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011 FSL 0789 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 26 Township: 29.0S Range: 24.0E Meridian: S		9. API NUMBER: 43037319040000
9. FIELD and POOL or WILDCAT: UNDESIGNATED		COUNTY: SAN JUAN
STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> APD EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input checked="" type="checkbox"/> OTHER	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/6/2011	OTHER: <input style="width: 100px;" type="text" value="Site security"/>	
<input type="checkbox"/> SPUD REPORT Date of Spud:		
<input type="checkbox"/> DRILLING REPORT Report Date:		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
Patara Oil & Gas has completed the placement of surface production equipment on the subject well, and the well is now, and/or has been, producing a continuous flow of hydrocarbons. Clean produced water is being hauled via truck to the disposal well located at Patara's Lisbon Gas Plant in Sal, UT. Dirty produced water is being hauled via truck to the Ream's Construction 80 Ponds Treatment and Recycling Facility located in Naples, CO. Any produced oil from the well is trucked off lease to a sales point and is sold to market. Please retain the attached site security diagrams and water haul maps for your records. Please contact Christopher Noonan with Patara with any questions or concerns.		
NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A	DATE 12/6/2011	



Patara Oil & Gas USA, Inc.
Site Security Diagram
Wellsite: Middle Mesa 26-34
NENE Sec. 15, T30S, R25E
San Juan County, Utah
API#
Lease#
Date Drawn:
Filename: MM 26-34 SSD.dwg

NOTE:

1. DRAWING IS NOT TO SCALE
2. ACTUAL PHYSICAL LOCATION OF UNDERGROUND FLOW LINES MAY NOT BE ACCURATELY REPRESENTED ON THIS DRAWING. MAKE ONE CALL AND USE PIPE LOCATOR PRIOR TO DIGGING.

THIS LEASE IS SUBJECT TO THE SITE SECURITY PLAN.
THE PLAN IS LOCATED AT:

Patara Oil and Gas USA, Inc.
Lisbon Plant
7 Rankine Road
La Sal, Utah 84530

GENERAL SEALING OF VALVES, SALES BY TANK GAUGING

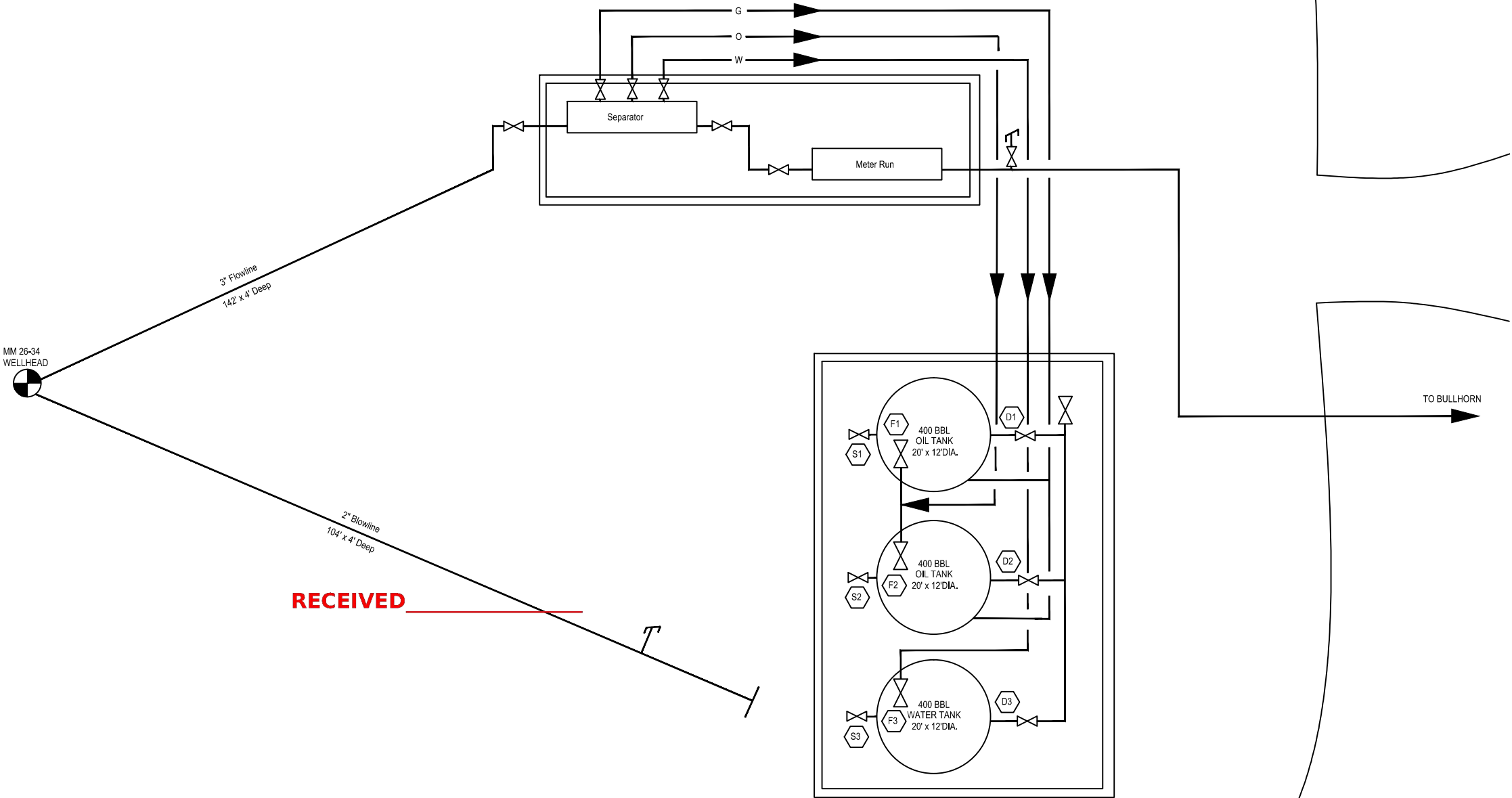
Production Phase: All drain valves, D1 & D2, and sales valves, S1 & S2, will be sealed closed during production. D3 will be closed, but not sealed.

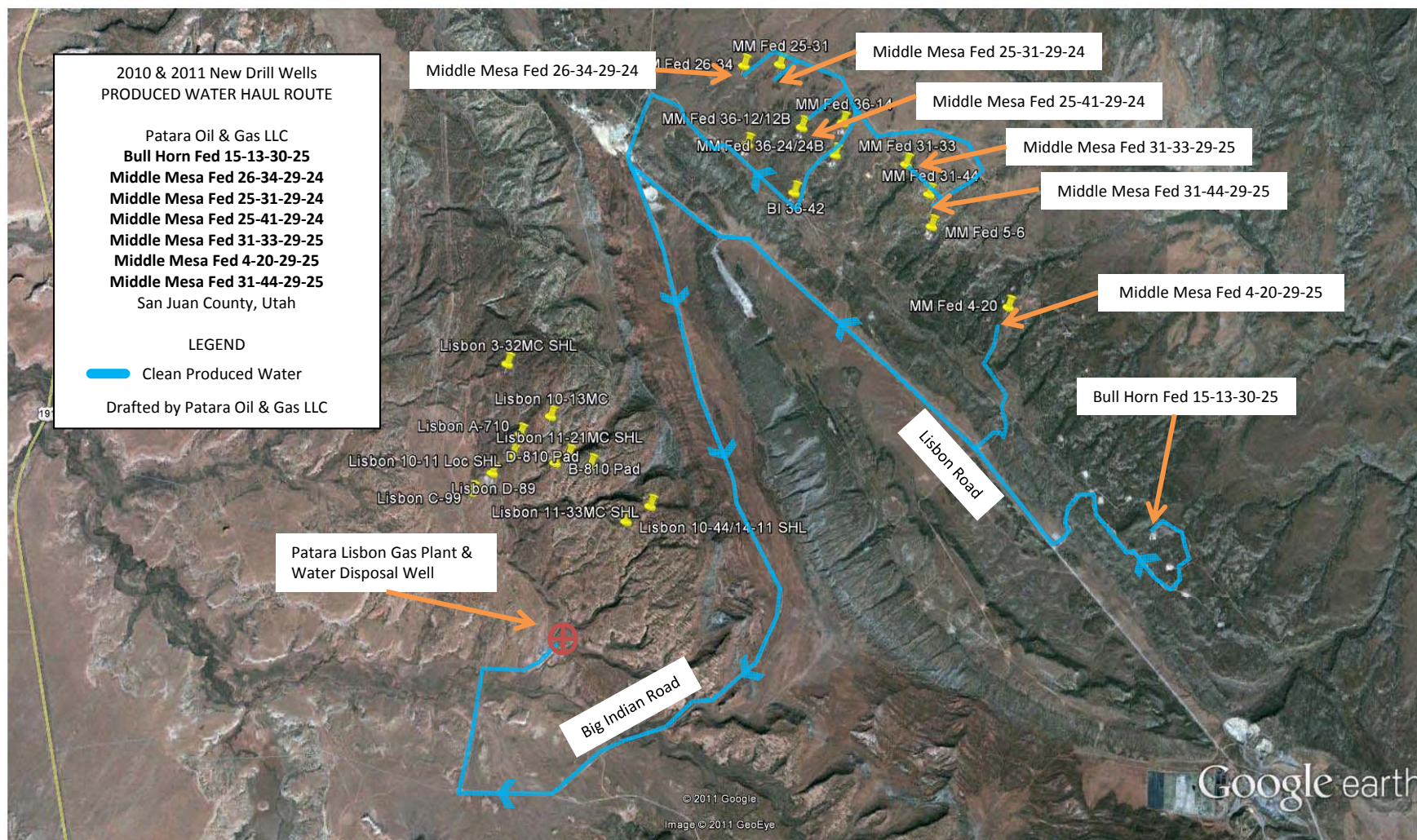
Sales Phase: Drain valves D1 & D2, and fill valves F1 & F2, will be sealed closed during sales. D3 will be closed, but not sealed. The sales valves S1 & S2, will be closed and re-sealed after completion of sales activities.

Draining Phase (from drain valves): Sales valves, S1 & S2, will be sealed closed during draining. The drain valves D1 & D2 will be closed and re-sealed after completion of draining activities. D3 will be closed after completion of draining activities, but not sealed.

Draining Phase (from sales valves): Drain valves, D1 & D2, will be sealed closed during draining. D3 will be closed, but not sealed. The sales valves S1 & S2 will be closed and re-sealed after completion of draining activities.

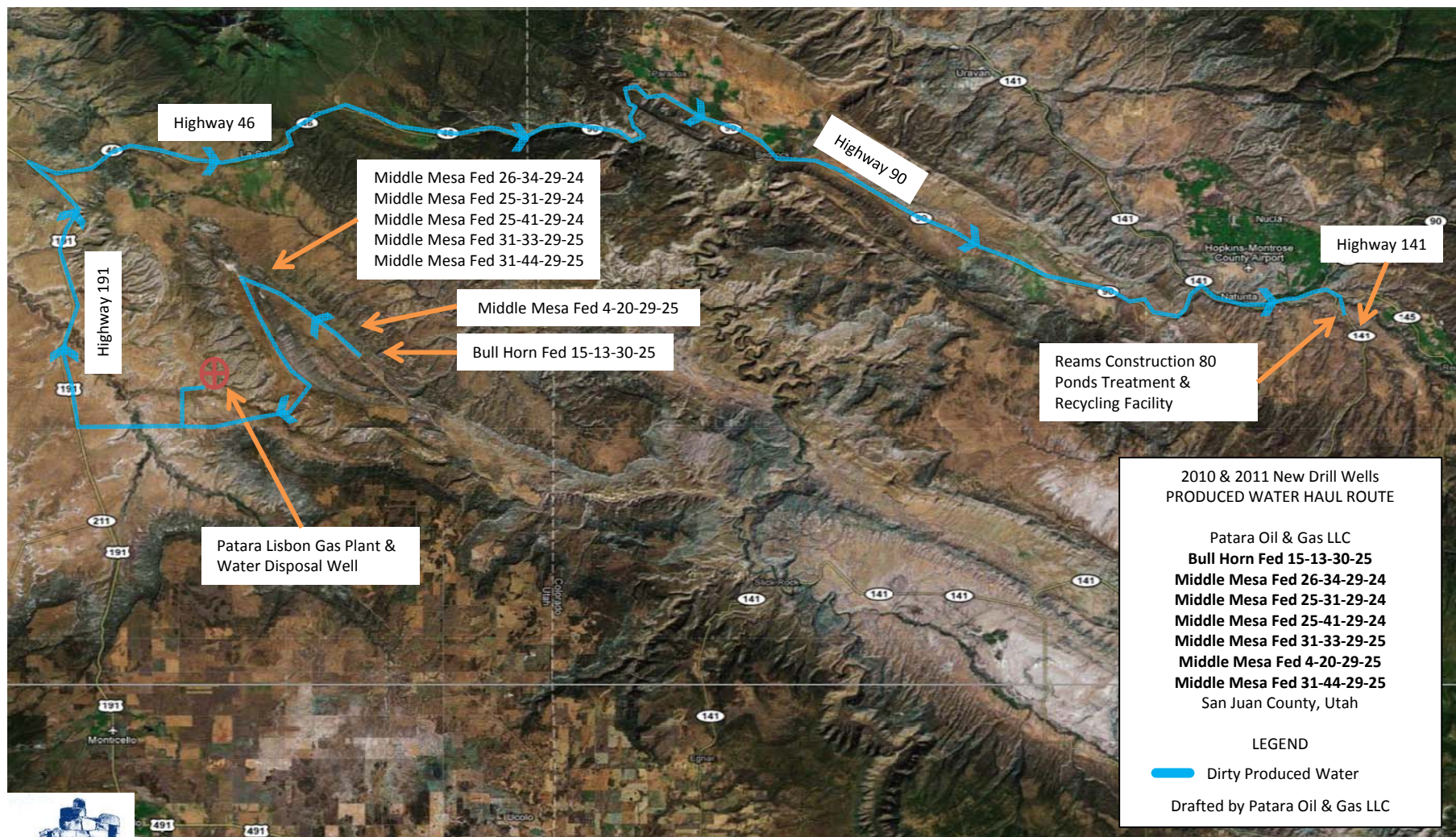
Site diagram and plan are available during normal working hours.





Patara Oil & Gas LLC





Patara Oil & Gas LLC

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		8. WELL NAME and NUMBER: MIDDLE MESA FED 26-34-29-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011 FSL 0789 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 26 Township: 29.0S Range: 24.0E Meridian: S		9. API NUMBER: 43037319040000
9. FIELD and POOL or WILDCAT: UNDESIGNATED		COUNTY: SAN JUAN
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 5/5/2012	<input checked="" type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas intends to add new intervals to the existing producing Honaker Trail formation, adding production value to the well. Proposed Honaker Trail 3 intervals: 4755 - 4774ft, 6spf 4786 - 4810ft, 6spf 4855 - 4863ft, 4spf The perfs will be broken down with 1,000 gallons 15% HCL, 3,165 gallons 6% KCL. A followup completion report will be submitted when work is complete. Please contact the undersigned with any questions or concerns. Thank you.

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: May 24, 2012

By: *Derek Quist*

NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Supervisor: Regulations & Production
SIGNATURE N/A	DATE 5/1/2012	

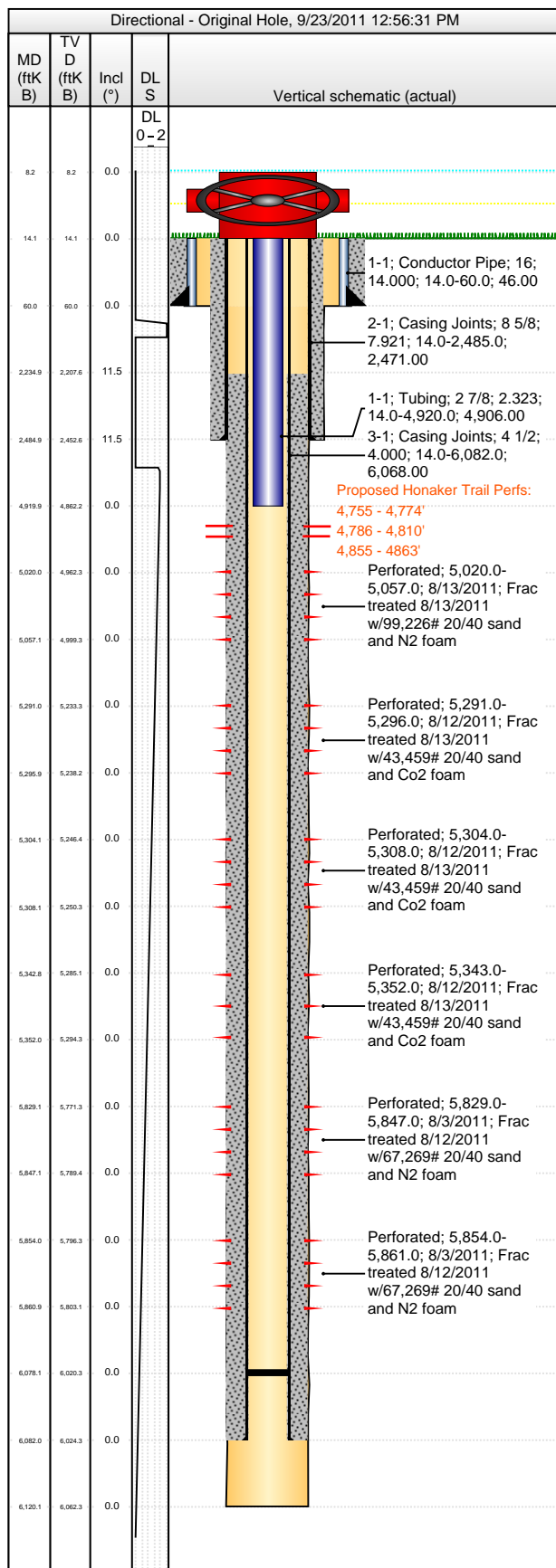


Patara Oil & Gas LLC

Downhole Well Profile - Well Completion Report

Well Name: Middle Mesa Fed 26-34-29-24

API/UWI 43-037-31904	Surface Legal Location Sec. 26 T29S R24W	Field Name Pine Ridge South	License # UTU-76053	State/Province Colorado	Well Configuration Type Directional
Original KB Elevation (ft) 6,827.00	KB-Tubing Head Distance (ft) 11.00	Spud Date 7/9/2011 15:54	Rig Release Date 7/24/2011 15:54	PBTD (All) (ftKB) Original Hole - 6,078.0	Total Depth All (TVD) (ftKB) Original Hole - 6,062.2



Date of First Sales

On Production Date: 8/18/2011

Casing Strings

Csg Des	OD (in)	Wt/Len (lb/ft)	Grade	Set Depth (ftKB)	Set Depth (TVD) (ftKB)
Conductor	16	0.25	Cond	60.0	60.0
Surface	8 5/8	32.00	J-55	2,485.0	2,452.7
Production	4 1/2	11.60	N-80	6,082.0	6,024.2

Cement

Conductor Cement, Casing, 7/8/2011 00:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Btm (TVD) (ftKB)	Est Top (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Displace ment	13.0	60.0	60.0	13.0	G	50		

Surface Casing Cement, Casing, 7/15/2011 00:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Btm (TVD) (ftKB)	Est Top (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Lead	0.0	2,000.0	1,977.5	0.0	G	550	2.09	12.50
Tail	2,000.0	2,480.0	2,447.8	1,977.5	G	200	1.43	13.00

Production Casing Cement, Casing, 7/22/2011 00:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Btm (TVD) (ftKB)	Est Top (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Displace ment	2,230.0	6,082.0	6,024.2	2,202.8	G	492	2.16	12.50

Perforations

Date	Top Depth (ftKB)	Bottom Depth (ftKB)	Zone
8/13/2011	5,020.0	5,057.0	Honaker Trail 3, Original Hole
Comment Frac treated 8/13/2011 w/99,226# 20/40 sand and N2 foam			
Date	Top Depth (ftKB)	Bottom Depth (ftKB)	Zone
8/12/2011	5,291.0	5,296.0	Honaker Trail 1, Original Hole
Comment Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam			
Date	Top Depth (ftKB)	Bottom Depth (ftKB)	Zone
8/12/2011	5,304.0	5,308.0	Honaker Trail 1, Original Hole
Comment Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam			
Date	Top Depth (ftKB)	Bottom Depth (ftKB)	Zone
8/12/2011	5,343.0	5,352.0	Honaker Trail 1, Original Hole
Comment Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam			
Date	Top Depth (ftKB)	Bottom Depth (ftKB)	Zone
8/3/2011	5,829.0	5,847.0	LaSal Sandstone, Original Hole
Comment Frac treated 8/12/2011 w/67,269# 20/40 sand and N2 foam			
Date	Top Depth (ftKB)	Bottom Depth (ftKB)	Zone
8/3/2011	5,854.0	5,861.0	LaSal Sandstone, Original Hole
Comment Frac treated 8/12/2011 w/67,269# 20/40 sand and N2 foam			

Tubing Strings

Tubing Description	Run Date		String Length (ft)		Set Depth (ftKB)		
Tubing - Production	9/22/2011		4,906.00		4,920.0		
Item Des	Jts	Make	Model	OD (in)	Wt (lb/ft)	Grade	Len (ft)
Tubing			T&C Upset	2 7/8	7.90	N-80	4,906.00

Production Volumes Test Date

Start Date: 8/15/2011 End Date: 8/16/2011

Gas Volume Over Test Date

Product Type: Reservoir Gas Volume (MCF): 3,500.000

Liquid Volumes Over Test Date

Production Type: Oil Volume (bbl): 10.0

Production Type: Water Volume (bbl): 0.0

Gas Gravity

Comment: 0.748

Oil Gravity

Comment: 55

CONFIDENTIAL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

REVENUE REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG									
1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____					5. LEASE DESIGNATION AND SERIAL NUMBER: UTU76053				
b. TYPE OF WORK: NEW WELL <input type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input checked="" type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____					6. IF INDIAN, ALLOTTEE OR TRIBE NAME				
2. NAME OF OPERATOR: Patara Oil & Gas LLC					7. UNIT or CA AGREEMENT NAME Middle Mesa				
3. ADDRESS OF OPERATOR: 600 17th St., Ste 1900S CITY Denver STATE CO ZIP 80202					8. WELL NAME and NUMBER: Middle Mesa Fed 26-34-29-24				
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2011 FSL 789 FEL Sec. 26 T29S R24E SL AT TOP PRODUCING INTERVAL REPORTED BELOW: 2268FSL 1359 FEL Sec. 26 T29S R24E SL AT TOTAL DEPTH: 2245 FSL 1356 FEL Sec. 26 T29S R24E SL					9. API NUMBER: 4303731904				
14. DATE SPURRED: 7/9/2011					15. DATE T.D. REACHED: 7/23/2011				
16. DATE COMPLETED: 6/18/2012					17. ELEVATIONS (DF, RKB, RT, GL): 6813 GL				
18. TOTAL DEPTH: MD 6,120 TVD 6,062					19. PLUG BACK T.D.: MD 6,078 TVD 6,020				
20. IF MULTIPLE COMPLETIONS, HOW MANY? * 1					21. DEPTH BRIDGE MD PLUG SET: TVD				
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) n/a					23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)				
24. CASING AND LINER RECORD (Report all strings set in well)									
HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20	16	Cond	0	60		Redi 50		0 - CIR	
11	8.625 J-55	32	0	2,480		G 750		0 - CIR	
7.875	4.5 N-80	11.6	0	6,082		G 492		2230 - CIR	
25. TUBING RECORD									
SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2.375									
26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) Honaker Trail	4,759	5,352			4,755 4,774	.34	114	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) La Sal	5,829	5,861			4,786 4,810	.34	144	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)					4,855 4,863	.34	48	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.									
DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL								
4,755 - 4,810	6972 Gal 2% KCL, 25,571# 20/40 Sand and Lightning 20 Gel								
4,855 - 4,863	2000 Gal 5% KCL, 22,577# 20/40 Sand and 70Q N2 Foam								

29. ENCLOSED ATTACHMENTS: <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> DST REPORT <input type="checkbox"/> DIRECTIONAL SURVEY <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION <input type="checkbox"/> CORE ANALYSIS <input type="checkbox"/> OTHER: _____	30. WELL STATUS: <div style="font-size: 1.5em; text-align: center;">Producing</div>
---	--

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 7/19/2012		TEST DATE: 7/19/2012		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL – BBL: 2	GAS – MCF: 1,030	WATER – BBL: 0	PROD. METHOD: Flow
CHOKE SIZE: 32/64	TBG. PRESS. 136	CSG. PRESS. 365	API GRAVITY 0.74	BTU – GAS 1,119	GAS/OIL RATIO 515	24 HR PRODUCTION RATES: →	OIL – BBL: 2	GAS – MCF: 1,030	WATER – BBL: 0	INTERVAL STATUS: Open

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Flared for testing then sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Honaker Trail	4,293	5,484		Honaker Trail	4,293
La Sal	5,484	5,891		La Sal	5,484
Hatch	5,891			Hatch	5,891

35. ADDITIONAL REMARKS (Include plugging procedure)

New intervals added to existing Honaker Trail producing formation. Production being commingled with La Sal formation. Please contact the undersigned with any questions or concerns. Thank you.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Christopher A. Noonan

TITLE Regulations and Production Supervisor

SIGNATURE

DATE 7/24/2012

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

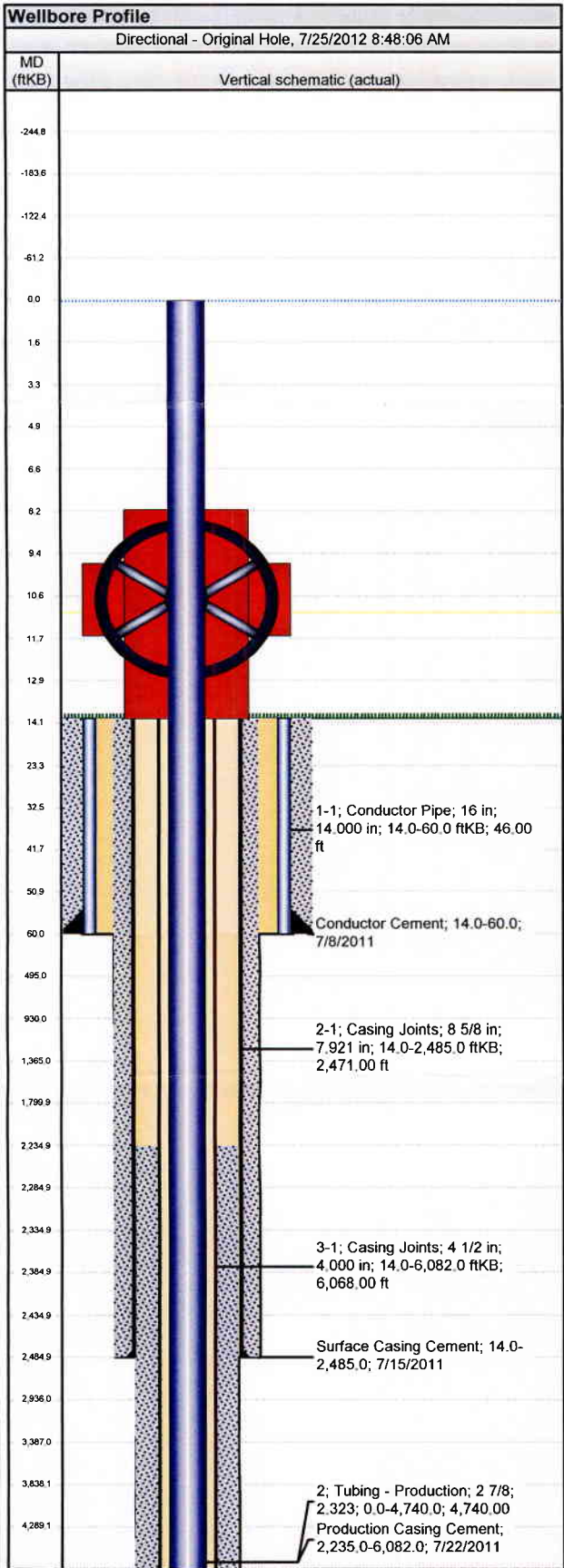
Fax: 801-359-3940



Downhole Well Profile - Well Completion Report

Well Name: Middle Mesa Fed 26-34-29-24

API/UWI 43-037-31904	Surface Legal Location NESW Sec. 26 T29S R24E	Lease Middle Mesa Federal	Field Name Pine Ridge South	State/Province Utah	Well Configuration Type Directional
Original KB Elevation (ft) 6,827.00	KB-Ground Distance (ft) 14.00	Spud Date 7/9/2011 15:54	Rig Release Date 7/24/2011 15:54	PBTD (All) (ftKB) Original Hole - 6,078.0	Total Depth All (TVD) (ftKB) Original Hole - 6,062.2



Wellbore Drilling Summary								
Section Des	Size (in)	Act Top (ftKB)	Act Btm (ftKB)	Start Date	End Date	Act Top (TVD) (ftKB)	Act Btm (TVD) (ftKB)	
Conductor	16	14.0	60.0	7/8/2011	7/8/2011	14.0	60.0	
Surface	11	60.0	2,485.0	7/8/2011	7/14/2011	60.0	2,452.7	
Production	7 7/8	2,485.0	6,120.0	7/17/2011	7/22/2011	2,452.7	6,062.2	
Casing Strings								
Csg Des	OD (in)	Wt/Len (lb/ft)	Grade	Set Depth (ftKB)	Set Depth (TVD) (ftKB)			
Conductor	16	0.25	Cond	60.0	60.0			
Surface	8 5/8	32.00	J-55	2,485.0	2,452.7			
Production	4 1/2	11.60	N-80	6,082.0	6,024.2			
Cement								
Conductor Cement, Casing, 7/8/2011 00:00								
Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Top (TVD) (ftKB)	Est Btm (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft ³ /sack)	Dens (lb/gal)
Lead	13.0	60.0	13.0	60.0	G	50		
Surface Casing Cement, Casing, 7/15/2011 00:00								
Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Top (TVD) (ftKB)	Est Btm (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft ³ /sack)	Dens (lb/gal)
Lead	0.0	2,000.0	0.0	1,977.5	G	550	2.09	12.50
Tail	2,000.0	2,480.0	1,977.5	2,447.8	G	200	1.43	13.00
Production Casing Cement, Casing, 7/22/2011 00:00								
Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Top (TVD) (ftKB)	Est Btm (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft ³ /sack)	Dens (lb/gal)
Displacement	2,230.0	6,082.0	2,202.8	6,024.2	G	492	2.16	12.50
Tested Zones (Inter-formation designations for Patara G&G in-house use only)								
Zone Name	Wellbore	Top Depth (ftKB)	Bottom Depth (ftKB)	Btm - Top (ftKB)				
Honaker Trail 1	Original Hole			0.0				
Status Date:	Status:	Fluid Type:						
Zone Name	Wellbore	Top Depth (ftKB)	Bottom Depth (ftKB)	Btm - Top (ftKB)				
Honaker Trail 2	Original Hole			0.0				
Status Date:	Status:	Fluid Type:						
Zone Name	Wellbore	Top Depth (ftKB)	Bottom Depth (ftKB)	Btm - Top (ftKB)				
Honaker Trail 3	Original Hole			0.0				
Status Date:	Status:	Fluid Type:						
Zone Name	Wellbore	Top Depth (ftKB)	Bottom Depth (ftKB)	Btm - Top (ftKB)				
LaSal Sandstone	Original Hole	5,829.0	5,847.0	18.0				
Status Date:	Status:	Fluid Type:						
Zone Name	Wellbore	Top Depth (ftKB)	Bottom Depth (ftKB)	Btm - Top (ftKB)				
LaSal Sandstone	Original Hole	5,854.0	5,861.0	7.0				
Status Date:	Status:	Fluid Type:						
8/18/2011	Flowing	Gas						
Perforation & Frac Summary								
Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...			
6/29/2012	4,755.0	4,774.0	Honaker Trail 1, Original Hole	6.0	115			
Comment								
Frac Treated 7/12/2012 w/27,560# 20/40 sand and N2 foam								
Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...			
6/29/2012	4,786.0	4,810.0	Honaker Trail 1, Original Hole	6.0	145			
Comment								
Frac Treated 7/12/2012 w/27,560# 20/40 sand and N2 foam								
Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...			
6/12/2012	4,855.0	4,863.0	Honaker Trail 1, Original Hole	4.0	33			
Comment								
Frac treated 20,000# 20/40								
Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...			
8/13/2011	5,020.0	5,057.0	Honaker Trail 2, Original Hole	4.0	149			
Comment								
Frac treated 8/13/2011 w/99,226# 20/40 sand and N2 foam								
Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...			
8/12/2011	5,291.0	5,296.0	Honaker Trail 1, Original Hole	4.0	21			
Comment								
Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam								
Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...			
8/12/2011	5,304.0	5,308.0	Honaker Trail 1, Original Hole	4.0	17			
Comment								
Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam								
Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...			
8/12/2011	5,343.0	5,352.0	Honaker Trail 1, Original Hole	4.0	37			
Comment								
Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam								
Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...			
8/3/2011	5,829.0	5,847.0	LaSal Sandstone, Original Hole	2.0	37			
Comment								
Frac treated 8/12/2011 w/67,269# 20/40 sand and N2 foam								
Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...			
8/3/2011	5,854.0	5,861.0	LaSal Sandstone, Original Hole	2.0	15			
Comment								
Frac treated 8/12/2011 w/67,269# 20/40 sand and N2 foam								
Tubing Strings								
Tubing Description	Run Date	String Length (ft)	Set Depth (ftKB)					
Tubing - Production	7/18/2012	4,740.00	4,740.0					
Item Des	Jts	Make	Model	OD (in)	Wt (lb/ft)	Grade	Len (ft)	
Tubing			T&C Upset	2 7/8	7.90	N-80	4,740.00	
Rod Strings								
Rod Description	Run Date	String Length (ft)	Set Depth (ftKB)					
Item Des	Jts	Make	Model	OD (in)	Wt (lb/ft)	Grade	Len (ft)	

RECEIVED

JUL 27 2012

DIV. OF OIL, GAS & MINING



Downhole Well Profile - Well Completion Report

Well Name: Middle Mesa Fed 26-34-29-24

API/UWI 43-037-31904	Surface Legal Location NESW Sec. 26 T29S R24E	Lease Middle Mesa Federal	Field Name Pine Ridge South	State/Province Utah	Well Configuration Type Directional
Original KB Elevation (ft) 6,827.00	KB-Ground Distance (ft) 14.00	Spud Date 7/9/2011 15:54	Rig Release Date 7/24/2011 15:54	PBTD (Alt) (ftKB) Original Hole - 6,078.0	Total Depth Alt (TVD) (ftKB) Original Hole - 6,062.2

Wellbore Profile		Other In Hole	
Directional - Original Hole, 7/25/2012 8:48:07 AM		Description	Top (ftKB) Btm (ftKB) Run Date Comment
MD (ftKB)		Production Volumes Test Date (If zone is blank; commingled)	
Vertical schematic (actual)		Zone: Start Date: 8/15/2011 End Date: 8/16/2011	
Surface Casing Cement; 14.0-2,485.0; 7/15/2011		Gas Volume Over Test Date	
3-1; Casing Joints; 4 1/2 in; 4,000 in; 14.0-6,082.0 ftKB; 6,068.00 ft		Zone Name: Product Type: Reservoir Gas Volume (MCF): 3,500.000	
2; Tubing - Production; 2 7/8; 2,323; 0.0-4,740.0; 4,740.00		Liquid Volumes Over Test Date	
Perforated; 4,755.0-4,774.0; 6/29/2012; Frac Treated 7/12/2012 w/27,560# 20/40 sand and N2 foam		Zone Name: Production Type: Oil Volume (bbl): 10.0	
Perforated; 4,786.0-4,810.0; 6/29/2012; Frac Treated 7/12/2012 w/27,560# 20/40 sand and N2 foam		Zone Name: Production Type: Water Volume (bbl): 0.0	
Perforated; 4,855.0-4,863.0; 6/12/2012; Frac treated 20,000# 20/40		Zone: Start Date: 7/19/2012 End Date: 7/20/2012	
Perforated; 5,020.0-5,057.0; 8/13/2011; Frac treated 8/13/2011 w/99,226# 20/40 sand and N2 foam		Gas Volume Over Test Date	
Perforated; 5,291.0-5,296.0; 8/12/2011; Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam		Zone Name: Product Type: Reservoir Gas Volume (MCF): 1,030.000	
Perforated; 5,304.0-5,308.0; 8/12/2011; Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam		Liquid Volumes Over Test Date	
Perforated; 5,343.0-5,352.0; 8/12/2011; Frac treated 8/13/2011 w/43,459# 20/40 sand and Co2 foam		Zone Name: Production Type: Oil Volume (bbl): 2.0	
Perforated; 5,829.0-5,847.0; 8/3/2011; Frac treated 8/12/2011 w/67,269# 20/40 sand and N2 foam		API Gas Gravity	
Perforated; 5,854.0-5,861.0; 8/3/2011; Frac treated 8/12/2011 w/67,269# 20/40 sand and N2 foam		Comment: 0.748	
Plug Back Total Depth; 6,078.0; 9/22/2011		API Oil Gravity	
Production Casing Cement; 2,235.0-6,082.0; 7/22/2011		Comment: 55	
		Date of First Sales	
		On Production Date: 8/18/2011	

Directional Profile	
Directional - Original Hole, 7/25/2012 8:48:07 AM	
Directional schematic (actual)	
Perforated; 4,755.0-4,774.0; 6/29/2012	
Perforated; 4,786.0-4,810.0; 6/29/2012	
Perforated; 4,855.0-4,863.0; 6/12/2012	
Perforated; 5,020.0-5,057.0; 8/13/2011	
Perforated; 5,291.0-5,296.0; 8/12/2011	
Perforated; 5,304.0-5,308.0; 8/12/2011	
Perforated; 5,343.0-5,352.0; 8/12/2011	
Perforated; 5,829.0-5,847.0; 8/3/2011	
Perforated; 5,854.0-5,861.0; 8/3/2011	

RECEIVED
JUL 27 2012
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Patara Oil & Gas LLC Operator Account Number: N 3670
Address: 600 17th Street, Suite 1900S
city Denver
state CO zip 80202 Phone Number: (303) 563-5377

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303731904	Middle Mesa Fed 26-34-29-24		NESW	26	29S	24E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
B	18118	18118				6/18/12	
Comments: BHL=NESW Honaker Trail 3 zone perforated and fracture stimulation 6/18/2012 HTLAS 8/28/2012							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Christopher A. Noonan

Name (Please Print)

Signature

Production Supervisor

Title

8/7/2012

Date

RECEIVED
AUG 08 2012

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

11/1/2012

FROM: (Old Operator): N3670- Patara Oil & Gas, LLC 600 17th Street, Suite 1900S Denver, CO 80202 Phone: 1 (303) 825-0685	TO: (New Operator): N3645- CCI Paradox Upstream, LLC 600 17th Street, Suite 1900S Denver, CO 80202 Phone: 1 (303) 825-0685
---	--

CA No.		Unit:		Middle Mesa			
WELL NAME	SEC TWN RNG		API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List							

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 1/23/2013
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/7/2013
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/12/2013
- a. Is the new operator registered in the State of Utah: Business Number: 8523441-0161
- a. (R649-9-2) Waste Management Plan has been received on: Not Yet
- b. Inspections of LA PA state/fee well sites complete on: N/A
- c. Reports current for Production/Disposition & Sundries on: 2/12/2013
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not Yet BIA N/A
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: Not Yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 2/12/2013
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/12/2013
- Bond information entered in RBDMS on: 2/7/2013
- Fee/State wells attached to bond in RBDMS on: 2/12/2013
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: 2/4/2013

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: 105865919
- Indian well(s) covered by Bond Number: N/A
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 105865922
- b. The **FORMER** operator has requested a release of liability from their bond on: N/A

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

Patara Oil Gas, LLC (N3670) to CCI Paradox Upstream, LLC (N3945)

Effective 11/1/2012

Middle Mesa Unit

Well Name	Section	TWN	RNG	API Number	Entity	Lease Type	Well Type	Well Status
MIDDLE MESA FED 30-41-29-25	30	290S	250E	4303731893		Federal	GW	APD
MIDDLE MESA FED 25-43-29-24	25	290S	240E	4303731901		Federal	GW	APD
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905		Federal	GW	APD
MIDDLE MESA FED 31-22-29-25	31	290S	250E	4303731909		Federal	GW	APD
MIDDLE MESA FED 31-11-29-25	31	290S	250E	4303731910		Federal	GW	APD
Middle Mesa Fed 31-42-29-25	31	290S	250E	4303750021		Federal	GW	APD
Middle Mesa Federal 5-8-30-25	05	300S	250E	4303750026		Federal	GW	APD
BIG INDIAN 35-24	35	290S	240E	4303731829	14409	Federal	GW	P
MIDDLE MESA ST 36-14-29-24	36	290S	240E	4303731838	15076	State	GW	P
MIDDLE MESA FED 5-6-30-25	05	300S	250E	4303731853	16375	Federal	GW	P
MIDDLE MESA FED 31-31-29-25	31	290S	250E	4303731854	15076	Federal	GW	P
MIDDLE MESA ST 36-12-29-24	36	290S	240E	4303731855	15076	State	GW	P
MIDDLE MESA ST 36-24-29-24	36	290S	240E	4303731856	15076	State	GW	P
MIDDLE MESA ST 36-12B-29-24	36	290S	240E	4303731877	15076	State	GW	P
MIDDLE MESA ST 36-24B-29-24	36	290S	240E	4303731878	15076	State	GW	P
MIDDLE MESA FED 5-10-30-25	05	300S	250E	4303731897	18802	Federal	GW	P
MIDDLE MESA FED 25-41-29-24	25	290S	240E	4303731902	17717	Federal	GW	P
MIDDLE MESA FED 25-31-29-24	25	290S	240E	4303731903	18159	Federal	GW	P
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904	18118	Federal	GW	P
MIDDLE MESA FED 31-44-29-25	31	290S	250E	4303731906	18213	Federal	GW	P
MIDDLE MESA FED 31-33-29-25	31	290S	250E	4303731907	18170	Federal	GW	P
MIDDLE MESA FED 4-20-30-25	04	300S	250E	4303750010	18193	Federal	GW	P

RECEIVED

JAN 23 2013

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Multiple Well Transfer</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: n/a
2. NAME OF OPERATOR: Patara Oil & Gas LLC <u>N3670</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S City Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
PHONE NUMBER: (303) 825-0685		8. WELL NAME and NUMBER: Multiple
4. LOCATION OF WELL FOOTAGES AT SURFACE: n/a		9. API NUMBER: n/a
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: n/a

COUNTY: San Juan, UT

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/1/2012	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Patara Oil & Gas LLC (Patara) hereby requests the transfer of operating rights and responsibilities for the subject wells, listed herein, to the new owner/operator of the assets, being effective November 1, 2012; CCI Paradox Upstream LLC (CCI).

Please see Exhibit I for a detailed list of upstream assets considered for transfer. Patara midstream assets will be transferred via a separate letter, enclosed.

NAME (PLEASE PRINT) Christopher A. Noonan TITLE Regulations & Production Reporting Supervisor
SIGNATURE *Christopher A. Noonan* DATE 1/18/13

(This space for State use only)

APPROVED

FEB 12 2013

(5/2000)

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

BY: Rachel Medina

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Multiple Well Transfer</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: n/a
2. NAME OF OPERATOR: CCI Paradox Upstream LLC <u>N3945</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u>		7. UNIT or CA AGREEMENT NAME: n/a
4. LOCATION OF WELL FOOTAGES AT SURFACE: <u>n/a</u>		8. WELL NAME and NUMBER: <u>Multiple</u>
PHONE NUMBER: <u>(303) 825-0685</u>		9. API NUMBER: n/a
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: n/a

COUNTY: San Juan, UT

STATE: UTAH

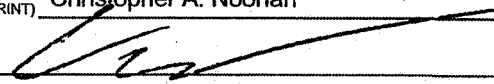
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <u>11/1/2012</u>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CCI Paradox Upstream LLC (CCI), hereby requests the transfer of operating rights and responsibilities for the subject wells, listed herein, to the new owner/operator of the assets, CCI, being effective November 1, 2012. The assets were previously operated by Patara Oil & Gas LLC (Patara) prior to sale.

Please see Exhibit I for a detailed list of upstream assets considered for transfer. Patara midstream assets will be transferred via a separate letter, enclosed.

Bond Number:
BLM: 105865919
State: 105865922

NAME (PLEASE PRINT) <u>Christopher A. Noonan</u>	TITLE <u>Regulations & Production Reporting Supervisor</u>
SIGNATURE 	DATE <u>2/6/2012</u>

(This space for State use only)

APPROVED

FEB 12 2013

DIV. OIL GAS & MINING

BY: Rachel Medina

RECEIVED

FEB 07 2013

Div. of Oil, Gas & Mining

Exhibit I

BLM Form 3160-5 Transfer of Operator

Utah Form 9 Transfer of Operator

State of Utah Upstream Assets

01/09/2013

API Well Number	Operator	Well Name	Well Status	Well Type	Field Name	County	Qtr/Qtr	Section	Township-Range)
✓ 43-037-15049-00-00	PATARA OIL & GAS LLC	LISBON D-616	Shut-In	Oil Well	LISBON	SAN JUAN	NENE	16	30S-24E 1
✓ 43-037-15123-00-00	PATARA OIL & GAS LLC	LISBON B-615	Producing	Oil Well	LISBON	SAN JUAN	NENW	15	30S-24E 2
✓ 43-037-15769-00-00	PATARA OIL & GAS LLC	LISBON B912	Shut-In	Oil Well	LISBON	SAN JUAN	SESW	12	30S-24E 3
✓ 43-037-16219-00-00	PATARA OIL & GAS LLC	BIG INDIAN UNIT 1	Shut-In	Oil Well	BIG INDIAN (MADISON)	SAN JUAN	SENE	33	29S-24E 11
✓ 43-037-16221-00-00	PATARA OIL & GAS LLC	BIG INDIAN 4	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWSW	14	30S-25E 5
✓ 43-037-16237-00-00	PATARA OIL & GAS LLC	LISBON A-715	Inactive	Water Disposal Well	LISBON	SAN JUAN	SWNW	15	30S-24E 6
✓ 43-037-16240-00-00	PATARA OIL & GAS LLC	LISBON B-613	Shut-In	Oil Well	LISBON	SAN JUAN	NENW	13	30S-24E 7
✓ 43-037-16242-00-00	PATARA OIL & GAS LLC	LISBON B-616	Shut-In	Oil Well	LISBON	SAN JUAN	NESW	16	30S-24E 8
✓ 43-037-16244-00-00	PATARA OIL & GAS LLC	BELCO ST 4 (LISBON B-816)	Active	Water Disposal Well	LISBON	SAN JUAN	NESW	16	30S-24E 9
✓ 43-037-16245-00-00	PATARA OIL & GAS LLC	LISBON C-69	Shut-In	Oil Well	LISBON	SAN JUAN	NWNE	9	30S-24E 10

✓ 43-037-16247-00-00	PATARA OIL & GAS LLC	LISBON C-94	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	4	30S-24E 11
✓ 43-037-16250-00-00	PATARA OIL & GAS LLC	LISBON UNIT D-84	Shut-In	Oil Well	LISBON	SAN JUAN	NESE	4	30S-24E 12
✓ 43-037-16251-00-00	PATARA OIL & GAS LLC	LISBON D-89	Shut-In	Oil Well	LISBON	SAN JUAN	NESE	9	30S-24E 13
43-037-16469-00-00	PATARA OIL & GAS LLC	LISBON U B-610	Producing	Oil Well	LISBON	SAN JUAN	NENW	10	30S-24E 14
43-037-16471-00-00	PATARA OIL & GAS LLC	NW LISBON USA A-2 (D-810)	Producing	Gas Well	LISBON	SAN JUAN	NESE	10	30S-24E 15
43-037-30054-00-00	PATARA OIL & GAS LLC	LISBON B-84	Shut-In	Oil Well	LISBON	SAN JUAN	NESW	4	30S-24E 16
43-037-30082-00-00	PATARA OIL & GAS LLC	LISBON B-814	Active	Water Disposal Well	LISBON	SAN JUAN	NESW	14	30S-24E 17
43-037-30317-00-00	PATARA OIL & GAS LLC	FEDERAL 15-25	Shut-In	Gas Well	WILSON CANYON	SAN JUAN	SWSE	25	29S-23E 18
43-037-30693-00-00	PATARA OIL & GAS LLC	LISBON C-99	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	9	30S-24E 19
43-037-30694-00-00	PATARA OIL & GAS LLC	LISBON U D-610	Shut-In	Gas Well	LISBON	SAN JUAN	NENE	10	30S-24E 20
43-037-30695-00-00	PATARA OIL & GAS LLC	LISBON B-94	Shut-In	Oil Well	LISBON	SAN JUAN	SESW	4	30S-24E 1
43-037-31014-00-00	PATARA OIL & GAS LLC	LISBON UNIT A-911	Producing	Gas Well	LISBON	SAN JUAN	SWSW	11	30S-24E 2
43-037-31034-00-00	PATARA OIL & GAS LLC	LISBON UNIT D-716	Shut-In	Oil Well	LISBON	SAN JUAN	SENE	16	30S-24E 3
43-037-31323-00-00	PATARA OIL & GAS LLC	LISBON C-910	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	10	30S-24E 4
43-037-31351-00-00	PATARA OIL & GAS LLC	LISBON B-614A	Shut-In	Oil Well	LISBON	SAN JUAN	NENW	14	30S-24E 5
43-037-31433-00-00	PATARA OIL & GAS LLC	LISBON B-810	Producing	Oil Well	LISBON	SAN JUAN	NESW	10	30S-24E 6

43-037-31829-00-00	PATARA OIL & GAS LLC	BIG INDIAN 35-24	Shut-In	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	35	29S-24E 7
43-037-31831-00-00	PATARA OIL & GAS LLC	BULL HORN U 10-43	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWSE	10	30S-25E 8
43-037-31838-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-14-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENE	36	29S-24E 9
43-037-31843-00-00	PATARA OIL & GAS LLC	BULL HORN FED 9-14-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	9	30S-25E 30
43-037-31848-00-00	PATARA OIL & GAS LLC	BULL HORN FED 15-14-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	15	30S-25E 1
43-037-31849-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-21-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWSW	10	30S-25E 2
43-037-31850-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 14-21-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 3
43-037-31853-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 5-6-30-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	LOT6	5	30S-25E 4
43-037-31854-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-31-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSW	31	29S-25E 5
43-037-31855-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-12-29-24	Shut-In	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENW	36	29S-24E 6
43-037-31856-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-24-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	36	29S-24E 7
43-037-31859-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 15-24-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 8
43-037-31860-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 14-42-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SESW	14	30S-25E 9
43-037-31861-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-42-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SESW	10	30S-25E 40
43-037-31864-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-31-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWSW	10	30S-25E 1
43-037-31877-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-12B-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENW	36	29S-24E 2

43-037-31878-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-24B-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	36	29S-24E 3
43-037-31883-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 15-24B-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 4
43-037-31884-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 23-13B-30-25	Approved permit (APD); not yet spudded	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWNE	23	30S-25E 5
43-037-31885-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 23-13-30-25	Approved permit (APD); not yet spudded	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWNE	23	30S-25E 6
43-037-31891-00-00	PATARA OIL & GAS LLC	BULL HORN FED 15-13-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	15	30S-25E 7
43-037-31893-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 30-41-29-25	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWSW	30	29S-25E 8
43-037-31897-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 5-10-30-25	Spudded (Drilling commenced: Not yet completed)	Gas Well	SOUTH PINE RIDGE	SAN JUAN	LT10	5	30S-25E 9
43-037-31901-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-43-29-24	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWSE	25	29S-24E 10
43-037-31902-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-41-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SWSW	25	29S-24E 1
43-037-31903-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-31-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSW	25	29S-24E 2
43-037-31904-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 26-34-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NESW	26	29S-24E 3

43-037-31905-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 26-23-29-24	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWNE	26	29S-24E 4
43-037-31906-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-44-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SESE	31	29S-25E 5
43-037-31907-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-33-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSE	31	29S-25E 4
43-037-31909-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-22-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENW	31	29S-25E 7
43-037-31910-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-11-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWNW	31	29S-25E 8
43-037-50008-00-00	PATARA OIL & GAS LLC	CISCO STATE 36-13	Temporarily-Abandoned	Gas Well	WILDCAT	SAN JUAN	NWNE	36	31S-24E 9
43-037-50010-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 4-20-30-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SWNW	4	30S-25E 60
43-037-50012-00-00	PATARA OIL & GAS LLC	Lisbon 11-32MC	Returned APD (Unapproved)	Oil Well	UNDESIGNATED	SAN JUAN	SWNE	11	30S-24E 1
43-037-50013-00-00	PATARA OIL & GAS LLC	Lisbon 14-11MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NWNW	14	30S-24E 2
43-037-50014-00-00	PATARA OIL & GAS LLC	Lisbon 10-44MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NWNW	14	30S-24E 3

43-037-50015-00-00	PATARA OIL & GAS LLC	Lisbon 3-32MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NESE	4	4 30S-24E
43-037-50016-00-00	PATARA OIL & GAS LLC	Lisbon 11-33MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NENW	14	5 30S-24E
43-037-50017-00-00	PATARA OIL & GAS LLC	Lisbon 11-21MC	Approved permit (APD); not yet spudded	Gas Well	LISBON	SAN JUAN	NWSE	10	6 30S-24E
43-037-50018-00-00	PATARA OIL & GAS LLC	Lisbon 3-43MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	SESE	3	7 30S-24E
43-037-50019-00-00	PATARA OIL & GAS LLC	Lisbon 10-33MC	Spudded (Drilling commenced: Not yet completed)	Oil Well	LISBON	SAN JUAN	NWSE	10	8 30S-24E
43-037-50021-00-00	PATARA OIL & GAS LLC	Middle Mesa Fed 31-42-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SESW	31	9 29S-25E
43-037-50026-00-00	PATARA OIL & GAS LLC	Middle Mesa Federal 5-8-30-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENE	5	10 30S-25E



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101

<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO:
3180 (UTU82680A)
UT-922200

FEB 06 2015

RECEIVED

FEB 11 2015

DIV. OF OIL, GAS & MINING

Ms. Kelsey Silipo
CCI Paradox Upstream, LLC
600 17th Street, Suite 1900S
Denver, Colorado 80202

Re: 5th Revision of the Hermosa Group PA
Middle Mesa Unit, San Juan County, Utah

Dear Ms. Silipo:

The 5th Revision of the Hermosa Group Participating Area (PA), Middle Mesa Unit, CRS No. UTU82680A, San Juan County, Utah, is hereby approved effective as of August 1, 2011 (the first of the month Well No. 26-34-29-24, API No. 43-037-31904, located in NE $\frac{1}{4}$ SE $\frac{1}{4}$, of Section 26, Township 29 South, Range 24 East, Federal Lease No. UTU76053 had actual sales) pursuant to Section 11 of the Middle Mesa Unit Agreement.

This revision results in the addition of 200.00 acres to the 4th Revision of the Honaker Trail Participating Area for a total of 739.68 acres and is based upon the completion in the Honaker Trail and Ismay formations of Well No. 31-44-29-25, API No. 43-037-31906, located in SE $\frac{1}{4}$ SE $\frac{1}{4}$, of Section 31, Township 29 South, Range 25 East, Federal Lease No. UTU76335 and the completion in the Honaker Trail formation of Well No. 26-34-29-24, API No. 43-037-31904, located in NE $\frac{1}{4}$ SE $\frac{1}{4}$, of Section 26, Township 29 South, Range 24 East, Federal Lease No. UTU76053. The participating area now covers the entire Hermosa Group. Both wells are capable of producing unitized substances in paying quantities.

The following wells should be reported to the Hermosa Group Participating Area effective August 1, 2011.

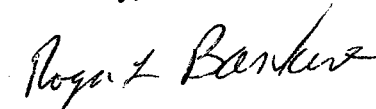
API	WELL NAME	Surface Location	LEASE
4303731838	36-14-29-24	0756 FNL 0760 FEL 36 T29.0S R24.0E	ML-37067
4303731853	5-6-30-25	1002 FNL 2284 FWL 05 T30.0S R25.0E	UTU-84218
4303731854	31-31-29-25	2126 FSL 0810 FWL 31 T29.0S R25.0E	UTU-84217
4303731855	36-12-29-24	1097 FNL 2216 FWL 36 T29.0S R24.0E	ST-UT-37067
4303731856	36-24-29-24	2569 FNL 1183 FEL 36 T29.0S R24.0E	ML-37067
4303731877	36-12B-29-24	1105 FNL 2228 FWL 36 T29.0S R24.0E	ST-UT-37067
4303731878	36-24B-29-24	2562 FNL 1172 FEL 36 T29.0S R24.0E	ST-UT-37067
4303731902	25-41-29-24	0360 FSL 0960 FWL 25 T29.0S R24.0E	UTU-76053
4303731903	25-31-29-24	2361 FSL 0900 FWL 25 T29.0S R24.0E	UTU-76053
4303731904	26-34-29-24	2011 FSL 0789 FEL 26 T29.0S R24.0E	UTU-76053
4303731906	31-44-29-25	0587 FSL 1207 FEL 31 T29.0S R25.0E	UTU-76335
4303731907	31-33-29-25	1873 FSL 1795 FEL 31 T29.0S R25.0E	UTU-76335
4303750021	31-42-29-25	0557 FSL 2344 FWL 31 T29.0S R25.0E	UTU-84217

For production and accounting reporting purposes, all submissions pertaining to the Hermosa Group PA shall refer to UTU82680A.

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the 5th Revision of the Hermosa Group PA, Middle Mesa Unit, and its effective date.

Please direct any questions concerning this approval to Judy Nordstrom of this office at (801) 539-4108.

Sincerely,



Roger L. Bankert
Chief, Branch of Minerals

Enclosure

cc: UDOGM
SITLA
ONRR w/Exhibit B (Attn: Curtis Link)
BLM FOM - Moab w/enclosure



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101-1345
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO:
3180 (UTU82680X)
UT-922000

RECEIVED

APR 28 2015

Ms. Kelsey Silipo
CCI Paradox Upstream, LLC N3945
600 17th Street, Suite 1900S
Denver, Colorado 80202

MAY 01 2015
DIV. OF OIL, GAS & MINING

Re: Automatic Contraction
Middle Mesa Unit
San Juan County, Utah

Dear Ms. Silipo:

Your letter of April 13, 2015, describes the lands automatically eliminated effective October 1, 2013, from the Middle Mesa Unit Area, located in San Juan County, Utah, pursuant to Section 2(e) of the unit agreement and requests our concurrence. The lands you have described contain 8,894.57 acres more or less, and constitute all legal subdivisions, no parts of which are included in the 5th Revision of the Hermosa Group Participating Area and the Initial Hermosa Participating Area "B". As a result of the automatic contraction, the unit is reduced to 899.68 acres.

The following Federal Leases are entirely eliminated from the unit area:

UTU16577	UTU 78735
UTU76327	UTU 80058
UTU76776	UTU 84215
UTU77076	UTU84216
UTU77077	UTU87212
UTU77372	UTU87222
UTU77539	UTU88837*

*Indicates non-committed lease

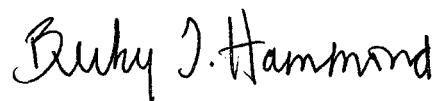
The following Federal Leases are partially eliminated from the unit area.

UTU84217
UTU84218
UTU76053
UTU76335
UTU77538

You have complied with the requirements of Section 2(e), provided you promptly notify all interested parties.

If you have any questions, please contact Judy Nordstrom of this office at (801) 539-4108.

Sincerely,



for Roger L. Bankert
Chief, Branch of Minerals

Enclosure

cc: UDOGM
SITLA
ONRR w/Exhibit "B" (Attn: Curtis Link)
BLM Field Office Manager – Moab (UTY01) w/enclosure

Middle Mesa Unit Contraction
Effective 4/30/2015

Well Name	Section	TWN	RNG	API Number	Type	Status
BIG INDIAN 35-24	35	290S	240E	4303731829	GW	P
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904	GW	P
MIDDLE MESA FED 25-31-29-24	25	290S	240E	4303731903	GW	P
MIDDLE MESA FED 31-33-29-25	31	290S	250E	4303731907	GW	P
MIDDLE MESA FED 4-20-30-25	4	300S	250E	4303750010	GW	P
MIDDLE MESA FED 31-44-29-25	31	290S	250E	4303731906	GW	P
MIDDLE MESA FED 5-10-30-25	5	300S	250E	4303731897	GW	P
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905	GW	P
MIDDLE MESA FED 31-22-29-25	31	290S	250E	4303731909	GW	APD



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101

<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO:
3180 / (UT922)
UTU90534

JUN 06 2016

RECEIVED

JUN 09 2016

DIV. OF OIL, GAS & MINING

Ms. Anna Hudson

CCI Paradox Upstream, LLC

811 Main Street, Suite 1500

Houston, Texas 77002

N3945

Dear Ms. Hudson:

Enclosed is one approved copy of Communitization Agreement No. UTU90534. This agreement communitizes all rights as to natural gas and associated liquid hydrocarbons producible from the Hermosa Group Formations, in the SWSWNE, SESENE of Section 26, Township 29 South, Range 24 East, SLB&M, located in San Juan County, Utah. This agreement conforms to the spacing set forth in Order No. 166-08 issued by the Utah Board of Oil, Gas and Mining on April 20, 2016.

This agreement is effective as of October 1, 2014, the date of first production for the Middle Mesa Federal 26-23-29-24 well located on Federal Lease UTU77538. The communitized area covers 20.00 acres.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

Office of Natural Resources Revenue Form MMS-4054 "Oil & Gas Operations Report" must be submitted for this agreement beginning with the month in which drilling operations commenced for the Middle Mesa Federal 26-23-29-24 well, API # 43-037-31905, with the surface location in the SWNE, Section 26, Township 29 South, Range 24 East, SLB&M, San Juan County, Utah. Form MMS-4054 is to be mailed to the Office of Natural Resources Revenue, P.O. Box 25165, Denver, Colorado 80225-0627.

CCI Paradox Upstream, LLC
Comminutization Agreement UTU90534
Effective Date: October 1, 2014

Well Name	Sec	TWN	RNG	API Number	Entity	Mineral	Surface	Type	Status
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904	18118	Federal	Federal	GW	P
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905	19635	Federal	Federal	GW	P

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76053			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: CCI PARADOX UPSTREAM, LLC		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: 811 Main Street, Suite 3500 , Houston, TX, 77002		8. WELL NAME and NUMBER: MIDDLE MESA FED 26-34-29-24			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2011 FSL 0789 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 26 Township: 29.0S Range: 24.0E Meridian: S		9. API NUMBER: 43037319040000			
9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE		COUNTY: SAN JUAN			
STATE: UTAH					
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 9/6/2016 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input checked="" type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input checked="" type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input checked="" type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> CCI Paradox Upstream LLC (CCI) proposes to reconfigure tubing/components in order to convert to a rod pump to improve production. </div> <div style="width: 35%; text-align: right;"> Accepted by the Utah Division of Oil, Gas and Mining Date: August 31, 2016 By: </div> </div>					
NAME (PLEASE PRINT) Chrissy Schaffner	PHONE NUMBER 281-714-2966	TITLE Regulatory Specialist			
SIGNATURE N/A	DATE 8/31/2016				